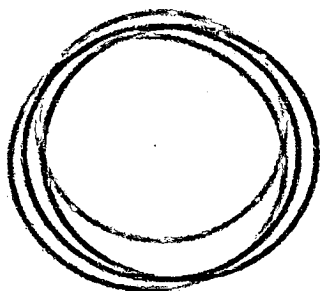


The Registered Company Number is:- 03059425

The Registered Charity Number is England & Wales 1046854 Scotland SC037596

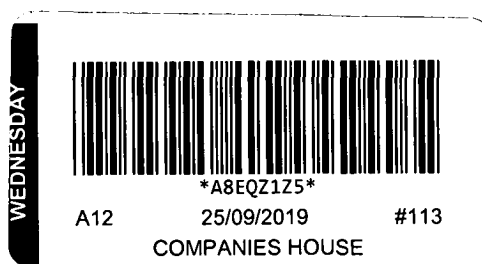


# ROY CASTLE LUNG CANCER FOUNDATION

Roy Castle Lung Cancer Foundation

Report and Accounts

31 December 2018



# **Roy Castle Lung Cancer Foundation**

## **Report and accounts**

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**Roy Castle Lung Cancer Foundation**  
**Trustees' Consolidated Annual Report for the year ended 31 December 2018**

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**Reference and administrative details**

Charity numbers: England & Wales 1046854 Scotland SC037596  
Company number: 03059425  
Registered Principal Office: Cotton Exchange Building  
Old Hall Street, Liverpool, L3 9LQ

**Directors and Trustees**

The directors of the charitable company (the Charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

**The trustees serving during the year and since the year end were as follows:**

Chairman: Max Steinberg CBE

Founder and President: Professor Raymond J Donnelly MBE FRCS  
Treasurer: Euan Imrie

James E Couton  
David Gilligan  
David Maples  
Peter Rainey Deceased 22 July 2018  
Anthony Coombs  
Andrew Grange  
Alison Lobb  
Joanne Cranwell Joined 28 May 2018  
Alyson Chadwick Joined 30 October 2018

Company secretary: Paula Chadwick

**Senior Management Team**

Chief Executive: Paula Chadwick  
Deputy Chief Executive: Mike Grundy  
Medical Director: Dr Jesme Fox  
Prevention, Information & Support: Lorraine Dallas  
Retail: Mike Grundy  
Marketing & Communications: Rachel Avery

**Professional Advisers**

**Auditors:** RSM UK Audit LLP  
14th Floor  
20 Chapel Street  
Liverpool  
L3 9AG

**Bankers:** Barclays Bank plc  
Liverpool City Business Centre,  
Lord Street  
Liverpool  
L2 1TD

**Investment:** Rathbones  
Port of Liverpool Buildings  
Pier Head  
Liverpool  
L3 1NW

**Solicitors:** Brabners Chaffe Street  
Horton House  
Exchange Flags  
Liverpool  
L2 3YL

Jackson Lees  
44/45 Hamilton Square  
Birkenhead  
CH41 5AR

## Roy Castle Lung Cancer Foundation

### Trustees' Consolidated Annual Report for the year ended 31 December 2018

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#### Foreword by the Chief Executive of Roy Castle Lung Cancer Foundation

Welcome to our annual trustees' report on our activities throughout 2018. Our charity works for the benefit of lung cancer patients, their families, friends and carers, and everyone affected by this disease.

Ours is the only UK charity *wholly dedicated to defeating all types of lung cancer*. We take this responsibility very seriously.

*Lung cancer is the UK's biggest cancer killer in both men and women*. Each year it kills almost 36,000 people, [1] which is more than the number (32,457) killed by breast, pancreatic and prostate cancers COMBINED. [2]

To address this, our charity has a dual function: *saving lives and supporting people living with lung cancer*.

This is why we focus on certain key areas of activity.

#### ***Saving lives by means of:***

- Research
- *Prevention*, Support for people seeking to stop using tobacco products, and *Information*

#### ***Supporting people living with lung cancer by means of***

- Information and Support Services

#### ***These activities are not separate and unrelated.***

- Our *research activities* add to the store of information helping patients and their families to better understand the disease and its implications for their lives.
- Our *prevention* arm includes the Cut Films competition, giving young people skills and understanding to make better-informed choices, using data drawn from research and information services. In 2018, we introduced new initiatives to take our prevention and awareness messages into workplace environments.
- Our *information* staff create and update high-quality data-led and patient-reviewed collateral such as leaflets and online content, aided by input from research and prevention projects.
- Our *support services* include a nurse-led helpline and online forum, as well as patient grants; feedback from these informs and refreshes our information collateral.

While the overall economic climate continued to set challenges for the charity throughout 2018, we delivered a strong and successful year during which we raised £4,515k and spent £4,905k to support these activities. This report reveals in more granular detail how and why we allocate funding. I urge you to read it thoroughly to see just how we have sought to meet our core objectives.

Highlights of our year include:

- Spending over £500k on high-quality research projects which give researchers the opportunity to test a hypothesis and provide results to establish promising lines of enquiry. We have seen exciting results regarding early detection, including the development of biomarkers in blood and sputum.

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- Funding the second phase of our early detection '*Lung Health MoT*' project in Nottingham. 133 patients had CT (computerised tomography) scans which identified five cases of lung cancer, two of them at an early stage when curative treatment is possible. The other three patients are now receiving palliative care. A further 8% of patients were found to have nodules that could progress to being cancerous and they are being closely monitored to ensure their future wellbeing, while 16 cases of other types of serious lung conditions were also diagnosed. [3]
- Devoting nearly £300k to providing support to lung cancer patients and their families. We do this in several ways, from providing top-quality information about lung cancer such as how to manage symptoms or details of treatments to offering financial support through patient relief grants.
- Protecting the rising generation from the adverse effects of tobacco products. Prevention is a vital part of what we do, and our '*Cut Films*' competition, as outlined above, is helping us to deliver key messages to younger people.
- Launching our *#FaceYourFear* campaign [4] to challenge the misconceptions around lung cancer, improve awareness, attitudes and, ultimately, early detection and survival rates. Since 21% of people in the UK still cannot name a single lung cancer symptom [5], there is a clear and acute need for change. *#FaceYourFear* sought to make that change. We are particularly grateful to the patients and their families who gave so freely of themselves to make this campaign such a success. We continue to find fresh ways to ensure that lung cancer remains high on the public agenda.

*Your donations are the key to our continued success.* By investing in our work, you help people whose needs have too often been overlooked. By supporting those living with lung cancer and helping our young people in their efforts to avoid smoking, you are improving the nation's health; both now and for years to come.

I would like to place on record my gratitude to all who help us in our work. In particular, I'd like to thank the *volunteers and supporters* who raise funds for us, those who help at our various events and activities throughout the year, and also those who offer their services to work alongside our professional staff in our retail shops; without their efforts, we could not deliver our objectives. helping us raise awareness of the signs and symptoms of lung cancer, growing the number of patients we reach through our dedicated nurse helpline and patient support groups and rolling out more patient information days.

From people who run marathons, or tackle daunting challenge activities, to those who volunteer their time in our shops, or those who campaign tirelessly to improve the outcome for lung cancer patients and their families – these efforts help us fund world class research projects.

*These projects could help us detect lung cancer at the earliest stage when it is possible to treat and cure, which would mean countless lives are saved.* There are more details of this work later in this Report.

So, we thank each and every one of these people for their selfless generosity. Thank you for every cake, every run, every walk, every rhumba and every collection bucket filled with coins and notes. Thank you for giving your time, for giving every month, for giving your hearts *and for giving hope*.

On a personal note, I would also wish to pay tribute to our Trustee, Peter Rainey, who died in 2018. His hard work, dedication, robust attention to detail, coupled with his insight and commitment to our cause all speak to his worth; but above all, it was Peter's sheer humanity and decency that marked him out as special and made him such a valuable – and valued – figure within our charity. Peter was a source of strength and inspiration to us all; he is much missed. [6]

*Peter's loss makes us all the more determined to redouble our efforts.*

## Roy Castle Lung Cancer Foundation

### Trustees' Consolidated Annual Report for the year ended 31 December 2018

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In June 2018, we relocated the charity's main headquarters to offices in the heart of Liverpool's Commercial District. The move not only makes sound economic sense, but also provides us with the opportunity – and the spur – to better engage with the business community, not only in the Liverpool city region, but nationwide.

To deliver on our mission, we must grow. This relocation will help us do that.

*These are exciting times.* We have plans for further projects to help detect lung cancer earlier. We are seeing the emergence of new therapies to treat more patients. Above all, we are seeing lung cancer and lung cancer patients achieving a much higher public profile. The mainstream UK media are taking notice of the disease in a positive and measured way. This is helping us challenge the stigma that clings to lung cancer and so often adds to the burden for patients and their loved ones.

As their advocates, their voice, we are proud to represent patients in the decision-making processes of both the National Institute for Health and Care Excellence (NICE) and the Scottish Medicines Consortium (SMC), the bodies responsible for recommending the use of new medicines and treatments within the NHS.

Clearly, the overall picture for lung cancer is improving and we thank each and every one of you for helping to make that happen.

I hope that, like me, you will be inspired by our plans to help people affected by lung cancer to lead longer, better and happier lives.

*We cannot - we will not - pause in our commitment to furthering those improvements because we firmly believe that everyone affected by lung cancer should be able to*  
**EXPECT BETTER**



**Paula Chadwick, August 2019**

#### **Who We Are**

The Roy Castle Lung Cancer Foundation Company Number 03059425 (the Foundation) is a company limited by guarantee governed by its Memorandum and Articles of Association last amended 31st January 2011. The company is registered as a charity with both the Charity Commission in England and Wales (1046854) and the Office of the Scottish Charity Regulator (SC037596).

We exist to raise funds and receive donations for the benefit of lung cancer patients and all affected by the disease. By securing donations, legacies and sponsorship, the charity can make a real difference for patients, their families and those who look after them.

By engaging with thousands of people each year, we have established the charity as the first-call information and support resource for those diagnosed with lung cancer, their families and carers. Our aim is to be the properly representative 'voice' of lung cancer patients in dealing with all areas of health care policy and provision, as well as providing reliable, first-class information and support services.

## Roy Castle Lung Cancer Foundation

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We would like you to support us in our crucial work so please read on and let us tell you more about ourselves, what we do, what we have achieved and how we go about spending the money so kindly given to us.

#### Our mission

As mentioned by our chief executive in her introduction, *the charity has a dual focus: saving lives and supporting people living with lung cancer.*

To do this, we promote and fund research into the causes, prevention and treatment of lung cancer, we develop and support health promotion programmes designed to prevent the onset of lung cancer, and we provide amenities to improve the quality of life of patients and their relatives.

In raising new money and by careful management of our existing funds, the charity provides a public benefit by addressing unmet needs. We do this by making grants to serve lung cancer patients and their families receiving services, by funding research, and by our associated information, support and prevention services.

The trustees confirm that they have paid due regard to the public benefit guidance published by the Charity Commission and Office of the Scottish Charity Regulator. The Foundation refers to the public benefit guidance when reviewing and setting its aims and objectives and in future planning.

Patient grants are made in accordance with charity law, our constitution and the wishes and directions of donors. In making these grants, we seek to reflect the wishes of patients and their families by directing funds towards the areas *they* tell us are most needed.

During the year 2018, we made grants totalling £68k. When considering where to focus our attention, our corporate trustees' board and particularly the members of the charity's research funding committee have regard to the Charity Commission's guidance on public benefit and what this means for our charity.

#### Achievements and performance in 2018

##### Saving lives

The general picture:

Lung cancer is difficult to identify, to treat and to cure. *This is our main challenge.*

In the UK, current survival rates are:

One year - overall: 37% (women: 43%, men: 36%) [7]

Five years - overall: 10% (women: 17%, men: 13%) [8]

Ten years – overall: 5% (women: 6.1, men 3.9) [8]

Sources – [1] National Cancer Audit 2017; [2] CRUK 2014

While those figures make sombre reading, the picture is improving.

Five-year survival in England, which was around 7% in the period 1995-1999, is projected to reach 16% by the time the figures for 2013 are collated. [9]

##### Lung Cancer Research in the UK

Although lung cancer kills almost 36,000 people in the UK per annum [1], for many years, it attracted far less spend-per-death on research than other major site-specific cancers such as breast, cervical, testicular or leukaemia.



## Roy Castle Lung Cancer Foundation

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We can report that this picture is now changing for the better. Research spend by national government, the NCRI and partners, has significantly increased over the past decade, rising from £5.9m (or 4% of site-specific spend) in 2006/07 to £34m (11.6% of site-specific spend) in 2016/17. [10]

**Our Medical Director, Dr Jesme Fox, identifies several factors which changed the landscape for lung cancer during 2018:**

#### ***Early Detection and Lung Cancer***

The big story of 2018 was the presentation of the NELSON data at the World Lung Cancer Conference in Toronto, in October.

This large study, undertaken in the Netherlands and Belgium, is looking into the value of low-dose computed tomography (CT) screening in people at high risk of developing lung cancer.

The NELSON data showed a 26% reduction in mortality from lung cancer in the CT-screened arm of the study; in essence, showing that screening people at high risk of lung cancer, using CT, works [11]. We await the formal publication of the data; this will add impetus for the approval of a Lung Cancer Screening Programme by the National Screening Committee.

#### ***Early detection – the charity's role***

As our Chief Executive mentioned in her introduction, *early detection* is key to improving lung cancer survival rates. It's working for breast and cervical cancer; over 5,000 lives have been saved each year after screening became available on the NHS. [12]



***Mobile CT scanner units mean patients do not have to travel to hospital for health checks***

**The Nottingham 'Lung Health Check' project, in partnership with Public Health Nottingham.**

In Phase 2 of this project, RCLCF funded the roll out to five GP practice areas [13]. Results were published in 2018. Two patients were found with early lung cancer and 11 lung nodules are being followed up. The charity has funded a Phase 3 of this project, which is now rolling out to a further nine GP practice areas.

Attendance levels at our check were impressive: 96% of people invited came for their scan, a figure that surpasses similar projects where patients had to visit hospital. This suggests that location plays a significant role. By placing a CT scanner in the heart of the community, more people attend. [14]

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Other UK highlights include:

- The roll out of 'Lung Health Checks' in England (using the Manchester model). This was announced at the end of 2017, and 2018 saw planning progress. At the time of writing (*June 2019*) we are awaiting the official announcement, but we believe this will be a much bigger project than initially thought. [15][16]
- On 26/04, James Brokenshire MP secured an Adjournment Debate on 'Early Detection and Lung Cancer' in the House of Commons, thereby raising the profile of lung cancer amongst policy makers. [17]
- During 2018, two large Lung Cancer Screening Research Projects started in Yorkshire [18] and in North London. [19]
- In December, the Respiratory Taskforce (made up of 27 organisations), launched its Respiratory Strategy. One of its key recommendations is the implementation of a national Lung Cancer Screening Program. [20][21]

#### RCLCF Policy Work

The charity maintained its role as secretariat for the Lung Cancer Clinical Expert Group (the CEG is an NHS England multidisciplinary group of lung cancer experts) and the CEG Sub-Group on Lung Cancer Screening.

The National Optimal Lung Cancer Pathway, developed by the CEG, has been highlighted by NHSE for implementation across England. This is a challenging pathway, to ensure patients receive timely equitable access to diagnostics, treatment and care. The Screening Sub-Group has created a Protocol for Lung Cancer Screening/Lung Health Checks. This Sub-Group will be the Clinical Advisory Group for the roll out of Lung Health Checks across England. [22]

A NICE Committee has been working on updating the 'Lung Cancer Diagnosis and Treatment Guideline'. [23] It is due for publication in February 2019. This was last updated in 2011. Our Medical Director, Jesme Fox is on the Updating Committee.

In June 2018, in partnership with the British Thoracic Oncology Group, we held our second Lung Cancer Update from the American Society of Clinical Oncology meeting. [24] The filmed presentations are available through the website.

The charity continued to work as a consultee to both NICE (England) and the SMC (Scotland) to ensure promising new lung cancer therapies are available in the NHS.

During 2018, NICE recommended: [25]

- moving pembrolizumab (as first line therapy for non-small cell lung cancer [NSCLC] expressing PDL1 >50%) from being available only via the Cancer Drugs Fund to being generally commissioned
- crizotinib (as first line, for ROS-1 positive NSCLC)
- alectinib (as first line, for ALK positive NSCLC)
- atezolizumab (as second line, for NSCLC)

#### Research funded by RCLCF [26]

During 2018, our Open Research Grant Process continued, with the Grants Committee and external experts reviewing applications, The Board of Trustees have agreed to fund two new projects in 2019.

At the British Thoracic Oncology Group (BTOG) meeting in January 2018, the charity funded work in six poster presentations, two of which were selected for oral presentation at the meeting (by way of context, only four in total were selected). Of these, one received a First Prize Award.

## Roy Castle Lung Cancer Foundation

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We have part-funded Dr Gavin Jones as Clinical Research Fellow (Nottingham), for the third year.

Research conducted or led by Dr Jones includes:

- Completing data analysis for his study, *'Factors that determine administration of and early death following chemotherapy for small cell lung cancer: An analysis of National data'*. He has now written two drafts of the manuscript and plans to submit this to the Journal of Clinical Oncology for consideration of publication.
- Submitting two abstracts from this work to the British Thoracic Oncology Group (BTOG) meeting in January 2018. One abstract has been selected as an oral presentation, *"What factors are associated with early mortality following the first dose of chemotherapy in small cell lung cancer?"*
- Another abstract, *"Chemotherapy prescriptions for small cell lung cancer in England; An analysis of the National Lung Cancer Audit, Systemic Anti-Cancer Therapies and Hospital Episode Statistics databases,"* has also been accepted as a poster presentation.
- *"Early mortality and survival following platinum-based combination chemotherapy for small cell lung cancer; a systematic review and meta-analysis of clinical trial data"* – Dr Jones and his team have completed an extensive literature search of clinical trials to try to quantify short and long term survival following combination platinum chemotherapy in SCLC. Dr Jones submitted this for publication in a journal.
- *"Factors that determine receipt of and early death following systemic anticancer therapy in NSCLC"* – Dr Jones has compiled a dataset composed of two years of national data (2015-2016). His team has started cleaning these data in statistical software (Stata), preparing them for analysis.
- Besides his PhD, Dr Jones has undertaken other work related to lung cancer. He submitted a literature review titled *"Recent advances in the management of lung cancer"* to the journal Clinical Medicine.
- He completed research within the respiratory department at Nottingham University Hospitals, investigating whether thrombocytosis at presentation to the lung cancer clinic is associated with a diagnosis of lung cancer by examining patient records. The results from this work were accepted as poster presentations at two meetings and are being written up into a complete manuscript.

#### Other RCLCF research projects:

- **Research at the Christie Hospital in Manchester:** We have agreed to fund an investigation of the use of the drug docetaxel. This will be extremely helpful in future drug appraisals, as 'real world' data on use of this drug is not currently available.

The title of the project is, *'Outcomes and tolerability of second line docetaxel alone or with nintedanib for NSCLC'*.

There have been major difficulties with securing the necessary data. Finally, the main part of the study is now underway.

- **Early detection research project at the University of Liverpool,** led by Dr Liloglou Triantafillos, with Researcher Dr Michael Davis.

Called, *'Validation of a plasma exosomal miRNA diagnostic signature for lung cancer'*, this project asks: *'Can we detect lung cancer using a blood test based on measuring cancer-specific patterns of molecules (microRNA) that are found in small membrane-enclosed bubbles (extracellular vesicles)?'*

To answer this, the team has already identified some microRNAs in a pilot study. The current phase is now investigating which ones work best as a test; how sensitive the test is (what proportion of cancers can we detect); and how specific it is (does it only detect lung cancer)? Hence, can the test be used for improved, early diagnosis. [28]

- **Early Detection research project at the University of Cambridge**, led by Dr Frank McCaughan, called: *Exploiting a unique organotypic model of bronchial dysplasia to improve early diagnosis of lung cancer*.

In this project, the team has developed a laboratory "test tube" model of lung "pre" cancer that closely resembles the human disease. The task is now to establish what are the key genetic events that accelerate this process and use the model to develop novel biomarkers that may be used in early detection.

- **Early detection research project at UCL (University College London)**, led by Professor Sam Janes, with Researcher Dr Sophia Antoniou, called '*Validation and delivery of infrared spectral biomarkers of lung cancer risk*'.

Lung cancer is generally asymptomatic until late stage development where it is often past curable. Currently there is no form of general population screening that would identify patients with lung cancer before exhibiting any symptoms.

This project researches the possibility of developing a simple and statistically robust method for general population screening for lung cancer using only a mouth swab from the patient. The primary aim of the research is to enable a method whereby patients could test their own mouth swabs on small machine in a pharmacy.

- **Early detection research project at UCL**, led by Dr Celine Denais, called '*Modelling early lung cancer invasion using a lung-on-a-chip method*'.

Lung cancer remains the leading cause of cancer death worldwide. To make a significant impact on improving this outcome, we must understand the complex interplay between the genomic and epigenetic evolution of a pre-malignant cell within its microenvironmental constraint.

It is now established that stiffer tissues and extracellular matrix-derived mechanical cues promote tumour formation. The aim of this study is to develop a micro-engineered three-dimensional microfluidic system that will precisely reproduce the lung environment to allow the thorough investigation of cancer initiation and progression. This may reveal key therapeutic targets and potentially chemopreventative approaches.

- **Patient experience research project at University of Leeds**, led by Dr Rebecca Beeken. This project is called '*Development and piloting of a radiographer-led smoking cessation intervention in the lung cancer screening setting*'.

Smoking cessation interventions within low dose CT (LDCT) lung cancer screening have the potential to almost double the relative risk reduction in lung cancer mortality and improve cost-effectiveness.

Radiographers are uniquely placed to provide advice in this setting but require support and training to do so. The proposed study will develop and pilot an intervention and training package to enable Radiographers to deliver smoking cessation advice at lung cancer screening.

The findings from this study will inform a randomised controlled trial to test the effectiveness of this approach for promoting quit attempts among patients undergoing LDCT screening for lung cancer.

- **Patient Experience research project at University of Nottingham**, led by Dr Laila Tata, with Researcher Dr Yvonne Nartey. This project is called '*Evaluating lung cancer patient experiences: a National Lung Cancer Audit linked study*'.

This investigates whether the experiences of people who could benefit from treatment are positive or negative with regards to events and communication along their cancer care journey; and whether these are associated with particular features of their healthcare setting, characteristics of their cancer, or their own attributes.

Dr Tata then wants to investigate whether patients with shared experiences make similar decisions and have similar outcomes, using the results to improve key aspects of the cancer pathway.

- **Early detection research project at UCL**, led by Dr Vitor Teixeira. This project is called '*Matrix metalloproteinase 12 and LIM domain 7 as key targets to stop lung cancer progression*'.

At UCLH, Professor Sam Janes and Dr Jeremy George have established, over the last twelve years, a cohort of over 120 patients in which they have monitored pre-cancerous lung lesions of varying severity.

In this cohort - and patients in general - there are more pre-cancerous lesions than would be expected from the number of cancers, which suggests that not all these pre-cancerous lesions inevitably develop into carcinoma.

Using this unique group of patients, and biopsy samples taken from their airways, the research team has identified what may be crucial changes to cell protein levels that occur just before a precancerous lesion becomes a cancer.

This project focuses on two key changes that the team thinks are important and could conceivably lead to novel therapies to stop lesions progressing. The two changes were in the expression of two genes, one called matrix metalloproteinase 12 (MMP12) and the other LIM domain 7 (LMO7).

From what is already known about these genes, and the clear change that we see in lesions that progress compared to those that disappear, the project aims to intensively investigate the roles of MMP12 and LMO7 in SCC progression and use this information to develop new strategies of early detection and possibly chemoprevention.

- **Early detection research project at UCL**, led by Dr Robert Hynds and Researcher Ersilia Nigro. This is called '*Understanding pre-malignant squamous cell carcinoma cell enabling targeted early clinical intervention*'. Of 40,000 lung cancers diagnosed in England and Wales annually, 43% are squamous cell carcinomas (SqCCs). SqCCs are challenging to detect at early stages of disease because, unlike adenocarcinomas that appear as small nodules, they are frequently missed by CT screening.

As mentioned in an earlier project summary, at UCLH, Professor Sam Janes and Dr Jeremy George have established a unique cohort of over 120 patients whose pre-cancerous lesions of varying severity are monitored over time.

After following these patients for over 12 years, it is clear that the number of pre-cancerous lesions does not match the number of cancers that develop in this cohort, suggesting that pre-cancerous lesions do not inevitably lead to cancer. However, the processes that determine the formation and the

**Trustees' Consolidated Annual Report for the year ended 31 December 2018**

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progression of pre-cancerous are poorly understood, mainly as a result of difficulty in growing and culturing pre-cancerous cells in the laboratory.

To monitor pre-cancerous lesions in these patients, small biopsy samples are taken and analysed for their severity by a pathologist. This provides an opportunity to perform additional research on such biopsy samples from this unique cohort of patients, but the sample is small and quickly used.

The team has recently found a method to expand the cells from such biopsies in the lab meaning that, for the first time, they can compare cells from normal areas with those from pre-invasive lesions.

During this project, the aim is to establish how cells grown from pre-invasive lesions biopsies differ from those grown from healthy airway biopsies with a view to developing therapies that target pre-invasive cells but allow healthy cells to survive.

- **Patient experience research project at UCL**, led by Dr Jo Waller and Researcher Dr Samantha Quaife. This is called '*Patient experiences of and psychological responses to lung cancer screening (PEOPLE study)*'.

What are the psychological outcomes of patients enrolled in a 'real world' lung cancer screening service, and more specifically: what predicts them? how do they compare with screening-eligible members of the general population? What are the potential positive and negative psychological responses patients have to the screening process, and the different screening results?

What aspects of patient experience and communication could be changed to promote psychological well-being and positive behaviour change? Are there patient sub-groups who are more vulnerable to screening-related distress (i.e. those with abnormal results, smokers from socioeconomically deprived backgrounds) and how might we be able to intervene?

- These questions inform the detailed content and design of an online training module for health professionals delivering lung cancer screening that informs patient-centred practice and communication to maximise patient benefit and experiences of lung cancer screening.
- **Patient experience research project at UCL** led by Dr Georgia Black and Researcher Dr Sandra Van Os. This is called '*Safety netting and re-consultation for lung cancer symptoms: GP and patient perspectives*'.

Five-year survival is poor for lung cancer patients presenting with symptoms such as cough and tiredness, yet these are common first presenting complaints. NICE cancer referral guidelines include recommendations for safety netting in a range of symptomatic presentations of low predictive value. Research suggests that 'good' safety netting practice for lung cancer may include taking a diligent medical history, information provision and judicious use of planned re-consultation.

There is no evidence to support patients' preferences or how GPs' advice affects patient behaviour, including any inadvertent negative effects it might incur.

How are the current strategies of "safety netting" implemented in General Practice, with regard to patients who present with common lung symptoms with low predictive value? What are the unintended negative effects of "safety netting", from the perspectives of both doctor and patient?

- Elsewhere, funding for the *Liverpool Lung Project Biobank* was ended in March 2018. The charity funded this project – a risk model – at the University of Liverpool for several years. Led by Professor John Field, this project provides resources vital to the wider roll-out of lung health checks to those at a higher risk of lung cancer.

- The RCLCF 'Living with Lung Cancer' Report was completed for publication in 2018. [29]

**Global Lung Cancer Coalition (GLCC)**

The Global Lung Cancer Coalition is the international voice of lung cancer patients. Established in 2001, the GLCC comprises of 38 non-government patient organisations from 27 countries. Roy Castle Lung Cancer Foundation provides the Secretariat to the GLCC; Dr Jesme Fox is its Secretary.



*Dr Jesme Fox, Medical Director of RCLCF and Secretary of GLCC*

During 2018, Roy Castle Lung Cancer staff assisted in the achievement of GLCC highlights including: [30, 31, 32, 33 & 34]

- The results of two international consumer polls, conducted by the research firm Populus, on stigma and on public awareness of lung cancer symptoms, were disseminated worldwide.
- The GLCC and the International Association for the Study of Lung Cancer (IASLC) came together to interview global experts across multi-disciplines in lung cancer (these included a pathologist, chest physician, surgeon, advocate, nurse, radiation oncologist, medical oncologist, and interventional radiologist).
- These highlighted key advances in each specialty over the last ten years. The interviews were also filmed and made available on the GLCC website and via social media.
- GLCC factsheets, on 'Lung Cancer Screening', 'Clinical Trials' and on 'Lung Cancer and Stopping Smoking', were translated into 15 languages and are available on the website.
- The GLCC held a session within the World Lung Cancer Congress in Canada in October.
- During 2018, two large international datasets were updated and published (GLOBOCAN2018 and CONCORD3). Work is now underway to update the Global Lung Cancer e-Atlas with this new data.

**Prevention**

The Cut Films Competition.

Our interactive filmmaking workshops are linked to the national curriculum and support young people under 25 to learn new skills. Our approach is fun, engaging and evidence-led.

In 2018, Cut Films:

- Continued its work in Liverpool and across Merseyside, in Barnet and Ealing and launched new services in the Isle of Man, Southwark, Berkshire & Buckinghamshire.

## Roy Castle Lung Cancer Foundation

### Trustees' Consolidated Annual Report for the year ended 31 December 2018

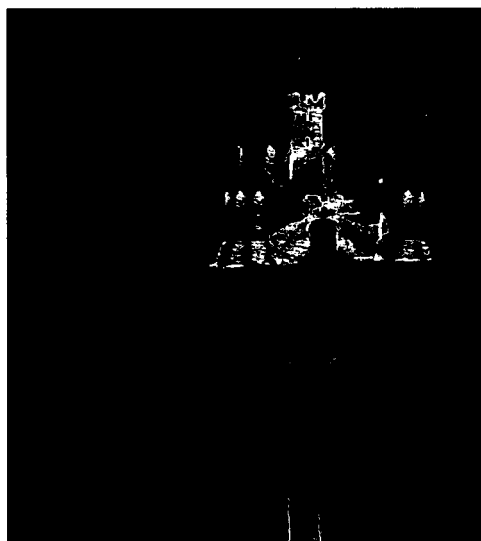
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- Delivered the 'Look After your Lungs' project in schools throughout the north west of England.
- Delivered the 'Shisha Awareness' project across schools and youth clubs in Barnet.
- Held successful local and national competitions, resulting 225 films entered for the National Awards and attracting media coverage around these events. [36]



*Our Cut Films competition helps young people gain film-making skills and avoid smoking. It is managed by Stacey Williams (right) and works within the Prevention, Information & Support Directorate.*

- Our first Cut Films project was delivered on the Isle of Man in partnership with the Isle of Man Anti-Cancer Association, which received positive feedback. The Island scored a one-two in the National Awards, when Anagh Coar Primary took first place in the Under 11s category, with Arbory School narrow runners-up.
- We worked with the lung cancer nurse specialist based on the island and Heather Christian, a Manx lung cancer patient, to deliver a successful Lung Cancer Awareness Month. This involved interviews with Foundation staff on both radio and television, to share key messages.
- Perhaps most strikingly, three of the island's most iconic landmarks; The Tower of Refuge, Douglas Power station and Ramsey swing-bridge, were all illuminated in the 'Roy Castle' brand shade of blue.



*The Tower of Refuge in the Isle of Man was one of three local landmarks illuminated to mark Lung Cancer Awareness Month*

## Supporting People Living with Lung Cancer

### Information and Support Services

#### Information



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It is vitally important for lung cancer patients to have access to up-to-date information that is both accurate and easy to follow.

This can help them take control, clarifying medical jargon to provide a better understanding of medical procedures such as tests or treatments. Reading about the experiences of others who have been through similar situations can also help separate fact from fear.

We provide a wide range of literature. This is readily available on our website and distributed directly to patients by lung cancer nurse specialists and GPs. [36] [37]

Our Lung Cancer Information Days give patients and their families the opportunity to hear from lung cancer professionals such as oncologists, thoracic surgeons and lung cancer nurses. There is also the chance to ask questions and share experiences with other patients and carers.



*Lung cancer information days offer  
more time for people to get much more  
information from not just one specialist but from several.*

**Martin Chamberlain**

Chest Surgeon, Southampton and guest speaker at our  
Portsmouth Information Day

**Support Services**

In 2018, our Information Day programme flourished with events in 8 locations, between May and December. They were attended by 253 patients and carers and 43 health care professionals. [44]

More than 500 patients and carers used the Ask the Nurse service during the year. Additionally, we have 3,364 members of our online support forum, up from 2,917 at the start of the year, with an average of 380 members actively engaging each month.

On average 45 support groups met each month across the year (with a summer break in July for most), these groups support a mean of 15 people affected by lung cancer each.

*Awareness/ Early Detection*

Between 31 October and the first week in December, our 'Face your Fear' roadshow spent 48 days in 9 locations across the country. In that time, we spoke directly with approximately 1,000 people with symptoms, concerns or experience of lung cancer. During LCAM we distributed awareness packs to health care professionals and interested community groups across the UK.

In June we attended the Appleby Horse Fair and engaged with more than 1,000 members of the travelling community.

More than 400 patients were provided with individual grants totalling in excess of £68,000.



*Lorraine Dallas is our Director of Prevention & Support*

*Information*

On average we had 70 orders for information each month. We have distributed more than 20,000 products on lung cancer treatment and care. We introduced our new Immunotherapy and Bone metastases factsheets. In September we won 'highly commended' awards from the British Medical Association for our Small cell lung cancer, brain metastases and lung cancer and targeted therapy booklets. Aside from LCAM more than 1,600 awareness booklets were distributed.

*Working in partnership*

We started the year with a presentation at the British Thoracic Oncology Group (BTOG) meeting, attended by 845 medics, researchers and advocates, supporting Sally Hayton, a patient with ALK+, which is a rare form of lung cancer. We co-facilitated the advocacy session for 8 people affected by lung cancer. [27]

We have worked with 7 pharmaceutical partners, generating £30,000 in sponsorship as well as £84,000 sponsorship from Astra Zeneca for our 'Face your Fear' campaign.

We presented and took part in Advisory Boards representing and engaging patient experience of treatment for: Takeda, MSD, BMS, Novartis, Pfizer and Havas Lynx.

We co-worked with BMS on a report on UK lung cancer compared to the rest of the Europe.

We participated in the UK Oncology Forum in June [38], were a regular contributor to the UK Lung Cancer Coalition [39] and work closely with the National Forum for Lung Cancer Nurses. [40]

**Income Generation**

Everything we do is as a direct result of your help, your support – and your incredible generosity. This allows us to support our researchers, our staff, our volunteers – but above all, patients and their loved ones.

*Therefore, raising the funds to do the work we have outlined in this report is absolutely crucial.*

Throughout 2018, the charity's fundraising activities encountered challenges, but still delivered an impressive performance, including:

*Retail*

This was a year of solid, if unspectacular, trading. We took the key decision to restructure our retail estate, which included sale of our shop in Moreton, Wirral, the planned closures of two smaller poor performing shops, the creation of a '£1.99' bargain shops brand with the remaining poor performing small stores and the continued development of our high performing large furniture stores.

*Community*

2018 was another year of rapid growth for the community department, with a 30% overall increase in income to £291k from £223k (2017).

Several factors contributed to the success of the department, including:

- Focus on the 'donor care journey': The team has spent time developing procedures to ensure that every donor feels important and valued by the charity. This has meant we have spent more time talking with supporters to find out more about why they are supporting the charity, shared more fundraising tips to increase the income brought in from the activity and maintained a 'follow-up' relationship to encourage further fundraising.
- Facebook introduced 'Facebook fundraising' in 2018 and RCLCF was among the earliest charities to sign up to it. The main reason people use this platform is to ask for donations to their page in lieu of birthday gifts. This resulted in a rapid increase in income for special occasions.
- The 'Swim the Distance' campaign income grew to over £35k from £17k in 2017. As it is a virtual campaign, which encourages participants to visit their local swimming pool at a time convenient to them, there are few inherent costs. Due to the rapid growth and potential, this is an area the community team will focus on throughout 2019, with an aim to bring on board more ambassadors and companies.

*Sporting*

In early 2018, the sporting and community departments merged to form the Public Fundraising department at the start of 2018. Benefits of this merger include:

- Great North Run – 2018 saw one of our biggest teams take part in the GNR, generating income of £38k. For 2019, we have already filled our places so will have a team of 80 people plus 10 own-place runners, so we anticipate an even higher income.
- London Marathon – 2018 saw a record number of people deferring their places due to injury. However, even with fewer people taking part than we would normally enter, the team still managed to bring in £143k due to the quality of our 'donor care journey'.

Since the merger, all activity has been reviewed, and projects offering little return of income have been stopped, to devote more time and energy on more profitable areas. Budget that was being spent on less profitable activities has also been re-allocated to invest in more lucrative areas, such as marketing, to help grow the department.

*Trusts*

- In 2018, Trusts brought in nearly £100k, at least partly resulting from the significant rise in the success rate of applications.
- The main three areas funded through the grants received were Cut Films at 33%, research 25%, and patient information resources at 18%.
- We have grown our Trusts & Foundations team to generate further income in this area of fundraising.

*Legacies*

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- The legacy target of £350k was broadly achieved.
- 27 Will clinics took place in retail shops and estate planning talks about our free Will service were given at 4 Patient support groups and 5 patient information days around the country.
- A new Will writing partner, Just Wills was signed up for 'Wills in the workplace' and they delivered a successful Will writing clinic at ACS supplies who have been a great corporate supporter for us.
- 26 Free Wills were written under our scheme resulting in £1,627 in donations and £31,160 in pledged legacies
- £8795 was received as a result of the first legacy written through our Free Will service.

#### *Isle of Man*

- RCLCF was registered as a foreign company and the long process of getting us registered as a Manx charity was started.

### Information and Awareness – of lung cancer and of the charity

#### *Marketing*

Having successfully increased charity and disease awareness in 2017, the aim of the marketing department in 2018 was to:

- Continue this upward momentum
- Further increase the spotlight on lung cancer and the people it affects
- Challenge the misconceptions around the disease.

In February, we collaborated with the BBC on a series of features about lung cancer in non-smokers, [41] providing expert comment from our chief executive, Paula Chadwick, oncologist and charity trustee David Gilligan, and a firsthand perspective from patient advocate, Joanna Marshall.

Items ran on BBC News at Six, BBC News at Ten, Radio 4's Today programme, Radio 2's Jeremy Vine Show, BBC News 24 and the BBC website.

Lung cancer fell into the spotlight again a few weeks later when James Brokenshire MP spoke out about his own lung cancer experience [42]. We reached out to Mr. Brokenshire via Twitter. He went on to share his story with us directly and quoted the charity on several occasions when he held a debate in Parliament calling for lung cancer screening in April.

Attention then turned to our first marketing campaign of the year – 'LetsRoll'. The campaign was in direct response to an announcement made by the chief executive of NHS England re the roll out of national lung health checks.

The promise of these programmes came with little detail of timeframes, budget allocation or implementation and so we decided to take responsibility to ensure this early detection initiative was delivered.

Drawing on firsthand experience from our own lung health check in Nottingham, we devised a campaign which aimed to highlight the benefit of such a programme. We told the stories of people whose lives were saved through the check, as well as those who had lost someone who could have been saved had this initiative already been implemented.

We also set up an online petition, encouraging people to pledge their support for the programme, which thousands of people did.

*One supporter summed it up perfectly when she said: "A late diagnosis meant I lost my grandmother. An early one saved my mum".*

NHS England has now confirmed a £70m investment in 14 pilot projects in ten locations. [16]

The team then continued to support the day-to-day activity of the charity, including the marketing of fundraising events and patient support services as well as launching a new range of cancer care products and a new prevention initiative coinciding with Stoptober. We also published our bi-annual Impact Report and the 2018 edition of 'Inspire' magazine. [44]

We then geared up for our flagship campaign, 'Face your Fear', for Lung Cancer Awareness Month (LCAM). [45]

The 2018 campaign was in response to a previous study which found 1 in 4 people are too afraid to go to the doctors if they are experiencing potential cancer symptoms.

We therefore wanted to create a campaign that challenged the misconceptions relating to lung cancer to increase risk and symptoms awareness and patient proactivity and improve early diagnosis and survival rates.

We also wanted the campaign to:

- Demonstrate the diversity of lung cancer
- Change perception around the disease and its stigma
- Improve symptoms awareness in both the public and healthcare professionals
- Empower patients to be their own advocate
- Engage with the high-risk population
- Increase reach of the campaign and charity.

We achieved this in several ways.

We produced patient videos of people who had either benefitted from an early diagnosis and gone on to have curative-intent treatment, or who were living well with late stage lung cancer. We also developed an innovative virtual reality (VR) experience that, by adopting the 'sliding doors' technique, demonstrated the importance of acting on symptoms and seeking an early diagnosis.

The VR experience, along with a symptoms-awareness quiz, formed the basis of our 'Face your Fear' roadshow.

This was a month-long tour of the UK which launched in Westminster with James Brokenshire MP and the shadow minister for Public Health, Sharon Hodgson MP, and travelled from Aberdeen to Portsmouth and many other areas of high incident and/or mortality rates in between.

Feedback from the roadshow included:

- In Bradford: *"The VR film really made me think. I'm going to demand my friend, who has a persistent cough like the man in the film, go to the doctor."*
- In Kilmarnock: *"I've been coughing up blood for a while. After seeing the campaign, I'm now going to go and see my doctor."*

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- In Darlington: *"The virtual reality film is so powerful. Wow! I was shouting at the guy – Just go to the doctor, mate!"*

This community engagement initiative also helped increase understanding of the disease itself and its signs and symptoms.

#### **Before engaging with the campaign:**

- 16% could not name a symptom of lung cancer
- 19% didn't know you could have curative treatment
- 24% didn't think you could have surgery.

#### **After engaging with the campaign:**

- 98% would definitely go to doctor if they had symptoms like in the video
- 97% would support a national screening programme
- 38% recognised they are at risk.

In addition to this, the online campaign was hugely successful:

The campaign videos had 1.3 million collective views.

Overall web traffic increased by 111.4%, while the signs and symptoms web page saw a year-on-year increase of 234% for November.

**Structure Governance and Management**

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice Applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015)".

The Accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for Charities applying to FRS102 rather than the version of Statement of Recommended Practice which is referred to in the Regulations, but which has since been withdrawn.

**Appointment of trustees**

Roy Castle Lung Cancer Foundation (RCLCF) recognises that an effective board of trustees is essential if the charity is to succeed in achieving its objectives. The board must seek to be representative of the people with whom the charity works and must have available to it all of the knowledge and skills required to run the charity. Individual trustees must have sufficient knowledge, both of trusteeship in general and of the Foundation's activities, to enable them to carry out their role and to represent the charity at meetings and other events.

Using a balance of skills and geography, trustee vacancies should be advertised; however, existing trustees and employees are encouraged to put forward names for consideration. The potential trustee will complete a skill matrix and have an induction period of three months before formal appointment by members by ordinary resolution.

Trustees will serve for a three-year period before being eligible for re-election. Unless there are specific and special circumstances no trustee shall serve for more than three consecutive periods. The Chair and deputy Chair shall stand for re-election at each annual meeting. A trustee will be appointed to liaise with the Finance Director to discuss financial issues and be responsible for advising the Board of Trustees on financial matters. The charity has an indemnity provision in place for directors.

Key management personnel include the senior management team. Remuneration in relation to key management is benchmarked against comparable roles and organisations and then authorised by the board of trustees.

**Trustee induction and training**

All potential trustees receive an introductory pack about the Foundation and the duties and responsibilities of a trustee. They will also have an induction program which will include visiting Foundation sites and meeting staff in all the core areas of work. An existing trustee will be appointed as a mentor to assist the potential trustee during the introductory period.

**Organisation**

The board of trustees administers the Foundation and comprises of eleven members that meet four times a year. The board has established four formally constituted committees, each with specific terms of reference and functions; Audit, Employment, Grants and Nominations. The final decision on all matters remains with the board.

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The Finance and Audit Committee supports the Chief Executive and the Finance Director in preparing for the annual financial statements audit.

The Employment Committee is responsible for approval of pay and conditions of staff and Chief Executive and resolution on health and safety issues.

The Scientific Grants Committee is responsible for considering all applications for grants and making recommendations to the Board. The committee also monitors the performance of all external research activities and reports to the Board.

The Nominations Committee is responsible for the recruitment and training of new trustees; this is convened ad hoc rather than as a formal committee. A Chief Executive is appointed by the trustees to be responsible for the executive management and its day to day direction in line with the strategic plan.

#### **Objectives and Activities**

The Foundation's mission is to beat lung cancer by funding innovative world-class research. Our aim through research into Early Detection and Patient Experience is to make a significant impact on lung cancer for the benefit of patients. Scientific excellence and relevance to lung cancer are the key principles which will guide the foundation's research.

The Foundation's key research objectives are:

- to build the talent pool in lung cancer research of the highest quality, in the UK and the Republic of Ireland.
- to encourage scientific innovation.
- to make every effort to engage in scientific and public dialogue and encourage scientists to communicate and collaborate with each other and ensure that the results are disseminated in an easy format to the general public.
- to ensure that research translates into benefits for patients as quickly and effectively as possible.

#### **Grant making policy**

Awards are provided for pilot grants and project grants in universities, medical schools/teaching hospitals and research institutes within the UK and Ireland.

Grants will be made in support of the research project including salaries, minor equipment and consumables costs. The Foundation will not directly employ staff on grants awarded for research projects.

The Foundation will only undertake the funding of research that has been peer reviewed through its Grants Committee process. Details of how to apply for grants and scholarships, together with the relevant forms, are available by contacting our registered principal office.

#### **Related parties**

The charity has four wholly owned subsidiaries: Roy Castle Retail Ltd (03604677), Roy Castle Trading Ltd (03909935), Roy Castle Clean Air Ltd (05748774) and Roy Castle Patient Support Ltd (06149309) (formerly known as Roy Castle Patient Care Ltd).

Roy Castle Retail Ltd was established on 27 July 1998 to operate as a trading retail company to raise funds for charitable purposes. The company result for the year was a profit of £272,75 before Gift Aiding profits to the charity (2017: £228,795) and the company made a gift aid payment of £278,659 to the charity (2017: £244,319). [51]

Roy Castle Trading Ltd was established on 19 January 2000 to operate as a trading promotional company to raise funds for charitable purposes. The company result for the year was a £228,427 profit (2017: £119,763 profit) before a gift aid payment to the Charity of £234,674 (2017: £119,763). [51]



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#### **Post balance sheet events**

On 15 January 2019, two of the charities, wholly owned subsidiaries, Roy Castle Clean air Ltd (05748774) and Roy Castle Patient Support Ltd (06149309) (formerly known as Roy Castle Patient Care Ltd) were dissolved.

#### **Risk management**

The trustees have a risk management strategy to assess business risks and to mitigate those risks. The strategy comprises:

- a quarterly review of risks the Charity may face, prioritising them in terms of potential impact and likelihood of occurrence and
- systems and procedures to mitigate those risks identified in the plan and to minimise the potential impact on the Charity.

The trustees have identified the principal risks to the charity are a significant decrease in income through reduced legacies and public fundraising and the reduction of links with the health industry and those involved in the health arena. We believe that these business risks would be effectively managed by restructuring existing resources and maintaining appropriate accessible cash reserves.

#### **Volunteers**

The Charity has significant support from volunteers in all our activities. Following an extensive review of the number of volunteers registered with us, we now have a pool of 511 'active' volunteers who regularly support our shops, administration and fundraising activities. Of these, currently 314 volunteers support our shop managers across the Merseyside and Cheshire area.

We maintain partnerships with several external organisations, raising the profile of the charity as well as tapping new potential volunteers.

These partners include Learn Direct, The Red Cross, Probation Service, The Works Company, the DWP and Tomorrow's People.

We offer our volunteers the opportunity to achieve free qualifications in customer service, retail and leadership through Derby College. So far, we have had 25 volunteers successfully complete some form of formal training.

In total, we estimate that our volunteers contribute more than fifty thousand hours of their time per year, which is worth approximately £400,000.

Roy Castle Lung Cancer Foundation is also represented on several Volunteer Forums across Merseyside. Our presence on these helps to raise awareness of the work done by the charity and also helps to ensure observance and promotion of best practice in volunteer engagement.

#### **Financial Review Summary**

2018 is the fifth year of a revised five-year strategy 2013 – 2018. A new three-year strategic plan has been developed for the period 2019 – 2021. The results for 2018 are: -

The Charity, as a group, made a deficit during 2018 of £447,507 (2017: £616,064). This is due to a decrease in income levels in a difficult economic environment, while maintaining a determination to deliver on our charitable objectives on a consistent basis. Thus, we have maintained our charitable spend while seeking longer term gains and objectives.

Following the appointment of our present CEO during 2011 a review of the Charity's activities, strategy and impact was undertaken which resulted in the development of a revised five-year strategy that commenced in 2013.

There are two main business themes central to the success of the strategy that began in 2013:

- To increase the level of charitable activity we fund
- To achieve a national profile by increased regional activity, becoming genuinely local across the country

The themes are linked, and each theme runs through each of the charity's key activities, influencing our Research,

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Support and Prevention Strategies; they are also reflected in our Income Generation Strategy and Communications Strategy and in directing how our corporate structure will provide a solid foundation for the charity to build on.

Full details of the current Strategic Plan 2013 to 2018 can be found on our website [www.roycastle.org](http://www.roycastle.org).

We are now in the process of making a fresh start and putting in place the structures to help the Charity to grow in order to deliver on its commitments.

#### **Charitable expenditure**

Total charitable expenditure for 2018 was £2,316,038 (2017: £2,643,163).

Research expenditure was £1,317,820 in 2018 (£1,418,287 in 2017), with charitable research grants of £547,260 (2017: £396,372).

Funding will be made to four additional projects, plus continuing distributions to the University of Liverpool (Liverpool Lung Project) and to support a Clinical Research Fellowship at the University of Nottingham.

#### **Income and funding**

Total income for the charity increased slightly to £4,514,697 (2017: £4,505,127).

##### **Fundraising**

Legacy income in 2018 was £338,411 (2017: £442,395). Other individual voluntary donations also grew to £513,613 from £421,692 in 2017 with corporate donations up £82,316 to £280,825 from £198,509 in 2017. In memoriam donations grew to £160,277 from £152,713 and this type of personal, individual support remains a key income stream.

Sponsorship income increased in 2018 to £355,665 from £278,085.

Gift aid on donations remained fairly stable at £105,366 (2017: £108,266).

##### **Retail**

Retail performed well with a gross profit of £2,050,100 (2017: £1,911,751). This was mainly driven by strong sales from our furniture retail outlets in Chester, Heswall, Liverpool, Ormskirk, Warrington and Crosby.

The traditional high street charity outlets have performed on par with 2017 despite difficult trading conditions and generated an overall profit of £25k (2017: £33).

Overall retail contributed over £270k ( £229k 2017) towards delivering the objectives of the charity.

#### **Investments**

The Foundation holds £1,021,338 (2017: £1,380,714) in listed investments that generated an income of £104,364 in the year (2017: £170,246). In the year there was a loss of £56,745 (2017: £83,063 profit) on sale and valuation of the investments.

Rathbones, an independent stockbroker, manages the investments within defined areas. The stockbrokers have been instructed not to invest in tobacco-related companies and other socially unacceptable companies. The current investment policy of the trustees is to hold a large proportion of surplus assets of the Foundation in cash and near cash to ensure a stable platform for the organisation's continued activities.

#### **Reserves**

The trustees have adopted a reserves policy which they consider appropriate to ensure the continued ability of the Foundation to meet its objectives. The key driver for this is the Foundation's future obligations to grant funded research.

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The level of free reserves held in the balance sheet, calculated as unrestricted reserves less tangible fixed assets is £436k. This level of free reserves is in excess future unaccrued potential grant obligations together with a months unrestricted non-trading (i.e. not self-financing) expenditure, which equates to £402k.

However, the Trustees consider that a more appropriate reserves policy for the charity to allow it to be managed efficiently is total reserves less tangible fixed assets, equivalent to approximately three months unrestricted non-trading (i.e. not self-financing) expenditure together with the financial commitments not accrued in the financial statements (grant and lease obligations).

The level of calculated reserves required via this method has fallen since 2017 as there has been a reduction in future obligations for research grants. As at 31 December 2018 the actual reserves less tangible fixed assets are over £1,083k which is over this calculated policy level of reserves of £1,022k. The listed investments and cash held at the balance sheet date totals £1,438k, again in excess of this higher calculated reserves policy.

At the year end the foundation had restricted reserves of £455k (2017: £368), unrestricted reserves of £684k (2017: £1,115) and total reserves of £1,140 (2017: £1,483).

Therefore, the trustees are satisfied that the Foundation can meet its future funding commitments.

The Foundation operates an ethical reserves policy, as part of which it does not invest in the tobacco industry.

#### Plans for future periods

The charity has ambitious growth plans for the next three years, which are outlined in its 2019-2021 Strategy. These include:

**Goal 1:** To increase the level of support for patients and carers by increasing the number of support groups across the UK to 70, the number of regional information days each year as well as offering training and bursaries for up to 30 group facilitators per year.

**Goal 2:** To ensure all 40,000 people diagnosed with lung cancer in the UK every year have access to the best treatment, care and support

**Goal 3:** To increase the funds available for patient relief grants from £50,000 to £100,000 p.a in three years, across the UK (supporting circa 500 people with lung cancer).

**Goal 4** To grow our annual spend on lung cancer research over the next three years.

#### Statement of trustees' responsibilities

The trustees (who are also directors of The Roy Castle Lung Cancer Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the

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charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Statement as to disclosure of information to auditors**

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they 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 it has been communicated to the auditors.

#### **Auditors**

The auditors, RSM UK Audit LLP, have indicated their willingness to continue in office.

#### **Staff**

We would like to pay tribute to the staff of the Foundation who continue to show considerable enthusiasm and commitment.

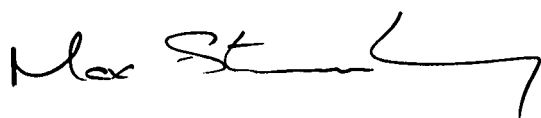
#### **Partners and supporters**

We would like to record a sincere thanks to all our partners and supporters who have helped the Charity in any way this year.

#### **Small Company Provisions**

This report has been prepared in accordance with the provisions applicable for companies entitled to the small companies exemption.

By order of the trustees



Max Steinberg CBE  
Chairman

17.9.19

## TAR 2018

### References:

1. **Foreword**, page 5 ... "it kills almost 36,000 people" – 35,620 in 2016 - CRUK lung cancer statistics (as reviewed August 2018): <https://www.cancerresearchuk.org/health-professional/cancer-statistics/statistics-by-cancer-type/lung-cancer>
2. According to CRUK statistics for the same period, breast, pancreatic and prostate cancers combined kill 32,457 people per year:  
Breast: <https://www.cancerresearchuk.org/health-professional/cancer-statistics/statistics-by-cancer-type/breast-cancer>  
Pancreatic: <https://www.cancerresearchuk.org/health-professional/cancer-statistics/statistics-by-cancer-type/pancreatic-cancer>  
Prostate: <https://www.cancerresearchuk.org/health-professional/cancer-statistics/statistics-by-cancer-type/prostate-cancer>
3. Results from the 'Lung Health MoT' project in Nottingham:  
<https://www.roycastle.org/campaign/lung-health-checks/the-nottingham-project>  
  
<https://www.nottinghamcity.nhs.uk/news/2018-news-articles/early-detection-of-lung-disease-in-nottingham/>
4. Face Your Fear campaign: <https://www.roycastle.org/campaign/face-your-fear>
5. Global Lung Cancer Coalition. Great Britain: symptom awareness and attitudes to lung cancer: Findings from a global study. Available at:  
<http://www.lungcancercoalition.org/uploads/docs/Great%20Britain%20-%20national%20data%20pack%20-%20FINAL.pdf>. Accessed October 2018.
6. Peter Rainey: <https://www.roycastle.org/news/it-is-with-great-sadness-that-we-share-news-of-the-death-of-our-trustee-peter-rainey> <https://scienceblog.cancerresearchuk.org/2019/02/19/a-tribute-to-peter-rainey/>
7. National Cancer Audit 2018 – Page 1, bullet point 2: <https://www.rcplondon.ac.uk/projects/outputs/nlca-annual-report-2018>
8. CRUK lung cancer statistics (rounded up to integers): <https://www.cancerresearchuk.org/health-professional/cancer-statistics/statistics-by-cancer-type/lung-cancer/survival#heading=Zero>
9. Walters et al, 2015, 'Is England closing the international gap in cancer survival?', British Journal of Cancer, 10.1038/bjc2015.365 – viewable here: <https://www.nature.com/articles/bjc2015265>
10. National cancer Research Institute: <https://www.ncri.org.uk/trends-in-disease-site-spend/>

11. NELSON data at World Lung Cancer Conference:  
<https://wclc2018.iaslc.org/media/2018%20WCLC%20Press%20Program%20Press%20Release%20De%20Koning%209.25%20FINAL%20.pdf>
12. 6,000 lives saved each year after screening became available:  
<https://www.manchesterbrc.nihr.ac.uk/wp-content/uploads/2018/09/Prof.-Gareth-Evans-The-Importance-of-Prevention-and-Early-Detection.pdf> (quotes Peto et al, Lancet 2005)
13. ... RCLCF funded the roll out to five GP practice areas: <https://www.nottinghamcity.nhs.uk/news/2018-news-articles/early-detection-of-lung-disease-in-nottingham/>
14. Attendance levels at our checks were impressive: <https://www.england.nhs.uk/2019/02/lung-trucks/>
15. This was announced at the end of 2017... : <https://www.england.nhs.uk/2017/11/nhs-england-action-to-save-lives-by-catching-more-cancers-early/>
16. ... ten lung health check projects at locations across the nation:  
<https://www.england.nhs.uk/2019/02/lung-trucks/>
17. James Brokenshire MP ... House of Commons: <https://hansard.parliament.uk/Commons/2018-04-26/debates/6AB68C2E-C84A-4158-9CDD-CE707EA8805F/LungCancer>
18. ...lung cancer screening research projects started in Yorkshire:  
<https://yorkshirecancerresearch.org.uk/news/more-than-330-people-checked-for-lung-disease-in-leeds>
19. ... and in north London:  
<https://www.uclh.nhs.uk/News/Pages/UCLHandUCLtoembarkuponthelargesteverlungcancerscreeningprojectintheUK.aspx>
20. Respiratory Taskforce ... launched its respiratory strategy plan: <https://www.blf.org.uk/taskforce/plan>
21. Implementation of a national lung cancer screening programme: "We want to see nationwide lung cancer screening, for people at higher risk, because this is an effective way to find people who have lung cancer but do not yet know. When diagnosed at its earliest stage, more than 1 in 3 people with lung cancer will survive their disease for five years or more, compared with around 5 in 100 of people when diagnosed at a later stage. A national programme for screening for lung cancer in America has reduced lung cancer deaths by 20%." : <https://www.blf.org.uk/taskforce/plan/diagnosis/early>
22. National Optimal Lung Cancer pathway... highlighted by NHSE... <https://www.england.nhs.uk/wp-content/uploads/2018/04/implementing-timed-lung-cancer-diagnostic-pathway.pdf>

23. NICE ... 'Lung Cancer Diagnosis and Treatment Guideline': <https://www.nice.org.uk/guidance/ng122>
24. ...lung cancer update from the American Society of Clinical Oncology meeting:  
<https://www.roycastle.org/how-we-help/research/asco-update>
25. During 2018 NICE recommended: <https://www.nice.org.uk/guidance/ta531>;  
<https://www.nice.org.uk/guidance/ta529>; <https://www.nice.org.uk/guidance/ta536>;  
<https://www.nice.org.uk/guidance/ta520>
26. 2018 TAR research projects and grants awarded supporting document: [32]

*Supporting document regarding research projects and grants awarded*

*The charity continues to fund research projects into Early Detection and Patient Experience of lung cancer. There were 9 research projects running in 2018 and invoices raised against these projects totalled £327,803 [source Jackie Tebbs, Head of Clinical & Research Projects]*

*Dr Gavin Jones at the University of Nottingham continued his Clinical Research Fellowship and we await his final report. £27,714 was invoiced against this project in 2018 [source Jackie Tebbs, Head of Clinical & Research Projects]*

*£25,000 was also awarded to the University of Liverpool, for Mike Davies in his role as RCLCF Senior Research Fellow. £12,252 was invoiced in 2018 [source Jackie Tebbs, Head of Clinical & Research Projects]*

*Of the research the charity has funded since 2012 when Open Grants began, 27 papers and 28 abstracts have been published; 37 posters were shown at key professional meetings and 24 oral presentations; 11 researchers said that RCLCF funded work (or parts of it) has continued with new funding; and 17 researchers said important collaborations have resulted from the RCLCF funded grant. [source Jackie Tebbs, Head of Clinical & Research Projects]*

*Following the success of our Lung Health MoT Check project in Bulwell, Nottingham, a further £102,000 was awarded to run a project across 9 GP practices. As well as detecting lung cancer and nodules which require follow up, the outcomes of this and the previous project will help build evidence in support of implementation of lung cancer screening.*

27. ...BTOG meeting in January 2018... : <https://www.btog.org/btog-events/annual-conference-2020/annual-conference-2018/>
28. Liverpool Lung Project: <http://www.liverpoollungproject.co.uk/>
29. Living with Lung Cancer Report: <https://www.roycastle.org/how-we-help/lung-cancer-information/our-services-and-materials/factsheets/living-with-lung-cancer>
30. The Global Lung Cancer Coalition (GLCC): <http://www.lungcancercoalition.org/about-glcc.html>

31. (GLCC) ... international consumer polls: <http://www.lungcancercoalition.org/global-polling.html>
32. ... interview global experts: <http://www.lungcancercoalition.org/videos.html>
33. ... GLCC factsheets... : <http://www.lungcancercoalition.org/immunotherapy-factsheets.html>
34. GLCC held a session within the World Lung Cancer Congress ... : <https://wclc2018.iaslc.org/>
35. ... to update the Global Lung Cancer e-Atlas... : <http://www.lungcancercoalition.org/e-atlas/>
36. The Cut Films Competition - resulting in 225 films entered for the National Awards ... :  
[https://www.youtube.com/user/CutFilmsCampaign/videos?view=0&sort=dd&shelf\\_id=3](https://www.youtube.com/user/CutFilmsCampaign/videos?view=0&sort=dd&shelf_id=3)
37. Information and Support Services - We provide a wide range of literature... readily available on our website... <https://www.roycastle.org/how-we-help/lung-cancer-information/our-services-and-materials>
38. UK Oncology Forum - <https://oncology-forum.co.uk/meeting-highlights/>
39. UK Lung Cancer Coalition - <http://uklcc.org.uk/experts-demand-drastic-improvement-uk-lung-cancer-care/>
40. National Forum for Lung Cancer Nurses - <https://www.nlcn.org.uk/>
41. BBC ... series of features about lung cancer ... <https://www.bbc.co.uk/news/health-43034764>
42. James Brokenshire MP ... lung cancer experience: <https://www.bbc.co.uk/news/uk-northern-ireland-43181667>
43. 'Let's Roll' : <https://www.change.org/p/jeremy-hunt-mp-improve-early-diagnosis-for-people-with-lung-cancer-and-save-lives>
44. Inspire 2018: <https://www.roycastle.org/how-we-help/lung-cancer-information/our-services-and-materials/inspire-magazine>
45. Flagship campaign 'Face Your Fear': <https://www.roycastle.org/campaign/face-your-fear>



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROY CASTLE LUNG CANCER FOUNDATION**

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**Opinion**

We have audited the financial statements of Roy Castle Lung Cancer Foundation the 'parent charitable company' and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Group and Parent Charitable Company Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Cash Flow Statements 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2018; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, 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 Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 are independent of the group and parent charitable company 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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 trustees are 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROY CASTLE LUNG CANCER FOUNDATION**

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**Opinions on other matter prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report prepared for the purposes of company law and included within the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, included within the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- sufficient, adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures 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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 26-27 the trustees (who are also the directors of the charitable company for the purposes of company law) 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 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 trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company 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.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROY CASTLE LUNG CANCER FOUNDATION**

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**Use of our report**

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the members and the charitable company's 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 charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Anna Spencer-Gray  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
20 Chapel Street  
Liverpool  
L3 9AG

Date: 20.9.19.

# Roy Castle Lung Cancer Foundation

## Statement of Financial Activities for the year ended 31 December 2018

### Consolidated

|                                      | Notes | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|--------------------------------------|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>Income &amp; Endowments from:</b> |       |                                    |                                  |                             |                             |
| Donations & Legacies                 | 10    | 1,279,814                          | 474,343                          | 1,754,157                   | 1,601,660                   |
| Charitable activities                | 11    | 2,385                              | 25,000                           | 27,385                      | 33,205                      |
| Other trading activities             | 12    | 2,565,164                          | -                                | 2,565,164                   | 2,582,417                   |
| Investments                          | 13    | 104,364                            | -                                | 104,364                     | 170,246                     |
| Other                                | 14    | 63,627                             | -                                | 63,627                      | 117,599                     |
| <b>Total income</b>                  |       | <b>4,015,354</b>                   | <b>499,343</b>                   | <b>4,514,697</b>            | <b>4,505,127</b>            |
| <b>Expenditure on:</b>               |       |                                    |                                  |                             |                             |
| Raising funds                        | 15    | 2,589,421                          | -                                | 2,589,421                   | 2,561,091                   |
| Charitable activities                | 16    | 1,901,257                          | 414,781                          | 2,316,038                   | 2,643,163                   |
| <b>Total expenditure</b>             |       | <b>4,490,678</b>                   | <b>414,781</b>                   | <b>4,905,459</b>            | <b>5,204,254</b>            |
| Net (losses)/gains on investments    | 27    | (56,745)                           | -                                | (56,745)                    | 83,063                      |
| <b>Net (expenditure)/income</b>      |       | <b>(532,069)</b>                   | <b>84,562</b>                    | <b>(447,507)</b>            | <b>(616,064)</b>            |
| Net movement in funds                |       | (532,069)                          | 84,562                           | (447,507)                   | (616,064)                   |
| <b>Reconciliation of funds:-</b>     |       |                                    |                                  |                             |                             |
| <b>Total funds brought forward</b>   |       | <b>1,126,716</b>                   | <b>411,320</b>                   | <b>1,538,036</b>            | <b>2,154,100</b>            |
| <b>Total funds carried forward</b>   |       | <b>594,647</b>                     | <b>495,882</b>                   | <b>1,090,529</b>            | <b>1,538,036</b>            |

All gains and losses recognised in the year are included above.

All activities derive from continuing operations.

The notes on pages 41 to 68 form an integral part of these financial statements.

# Roy Castle Lung Cancer Foundation

## Statement of Financial Activities for the year ended 31 December 2018

### Charity Only

|                                    | Notes | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|------------------------------------|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations & Legacies               | 18    | 1,686,221                          | 474,343                          | 2,160,564                   | 1,839,370                   |
| Charitable activities              | 19    | 2,385                              | -                                | 2,385                       | 8,322                       |
| Other trading activities           | 20    | 132,254                            | -                                | 132,254                     | 446,803                     |
| Investments                        | 21    | 64,271                             | -                                | 64,271                      | 100,178                     |
| Other                              | 22    | 63,627                             | -                                | 63,627                      | 117,599                     |
| <b>Total income</b>                |       | <b>1,948,758</b>                   | <b>474,343</b>                   | <b>2,423,101</b>            | <b>2,512,272</b>            |
| <b>Expenditure on:</b>             |       |                                    |                                  |                             |                             |
| Raising funds                      | 23    | 597,297                            | -                                | 597,297                     | 719,833                     |
| Charitable activities              | 24    | 1,725,262                          | 386,984                          | 2,112,246                   | 2,367,393                   |
| <b>Total expenditure</b>           |       | <b>2,322,559</b>                   | <b>386,984</b>                   | <b>2,709,543</b>            | <b>3,087,226</b>            |
| Net (losses)/gains on investments  | 27    | (56,745)                           | -                                | (56,745)                    | 89,173                      |
| <b>Net (expenditure)/income</b>    |       | <b>(430,546)</b>                   | <b>87,359</b>                    | <b>(343,187)</b>            | <b>(485,781)</b>            |
| <b>Net movement in funds</b>       |       | <b>(430,546)</b>                   | <b>87,359</b>                    | <b>(343,187)</b>            | <b>(485,781)</b>            |
| <b>Reconciliation of funds:-</b>   |       |                                    |                                  |                             |                             |
| <b>Total funds brought forward</b> |       | <b>1,114,739</b>                   | <b>368,317</b>                   | <b>1,483,056</b>            | <b>1,968,837</b>            |
| <b>Total funds carried forward</b> |       | <b>684,193</b>                     | <b>455,676</b>                   | <b>1,139,869</b>            | <b>1,483,056</b>            |

All activities derive from continuing operations.

All gains and losses recognised in the year are included above.

The notes on pages 41 to 68 form an integral part of these financial statements.

# Roy Castle Lung Cancer Foundation

## Consolidated Balance Sheet as at 31 December 2018

|   | Notes | £           | 2018      | £                | £           | 2017      | £                |
|---|-------|-------------|-----------|------------------|-------------|-----------|------------------|
| <b>Fixed assets</b>   |       |             |           |                  |             |           |                  |
| Tangible assets   | 28    |             |           | 158,475          |             |           | 188,991          |
| Investments held as fixed assets  | 29    |             |           | 1,021,338        |             |           | 1,380,714        |
| <b>Total fixed assets</b>   |       |             |           | <u>1,179,813</u> |             |           | <u>1,569,705</u> |
| <b>Current assets</b>   |       |             |           |                  |             |           |                  |
| Stocks  | 31    | 80,209      |           |                  | 89,977      |           |                  |
| Debtors   | 32    | 402,935     |           |                  | 568,759     |           |                  |
| Cash at bank and in hand  |       | 552,820     |           |                  | 601,503     |           |                  |
| <b>Total current assets</b>   |       |             | 1,035,964 |                  |             | 1,260,239 |                  |
| <b>Creditors: amounts falling due within one year</b>   | 33    | (1,125,248) |           |                  | (1,291,908) |           |                  |
| <b>Net current (liabilities)</b>  |       |             |           | (89,284)         |             |           | (31,669)         |
| <b>The total net assets of the group</b>  |       |             |           | <u>1,090,529</u> |             |           | <u>1,538,036</u> |
| <b>The total net assets of the group are funded by the funds of the charity, as follows:-</b> |       |             |           |                  |             |           |                  |
| <b>Restricted funds</b>   |       |             |           |                  |             |           |                  |
| Restricted Revenue Funds  | 38    |             |           | 495,882          |             |           | 411,320          |
| <b>Unrestricted Funds</b>   |       |             |           |                  |             |           |                  |
| Unrestricted Revenue Funds  | 38    |             |           | 594,647          |             |           | 1,126,716        |
| <b>Total group funds</b>  |       |             |           | <u>1,090,529</u> |             |           | <u>1,538,036</u> |

The Trustees have prepared the group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustees Investment (Scotland) Act 2005.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the board of trustees on 17.9.19 and signed on their behalf by:

  
MAX STEINBERG CBE

Trustee

The notes on pages 41 to 68 form an integral part of these financial statements.

# Roy Castle Lung Cancer Foundation

## Charity Only Balance Sheet as at 31 December 2018

|   |       | 2018      |           | 2017        |           |
|---|-------|-----------|-----------|-------------|-----------|
|   | Notes | £         | £         | £           | £         |
| <b>Fixed assets</b>   |       |           |           |             |           |
| Tangible assets   | 28    |           | 56,654    |             | 45,721    |
| Investments held as fixed assets  | 29    |           | 1,150,938 |             | 1,510,314 |
| <b>Total fixed assets</b>   |       |           | 1,207,592 |             | 1,556,035 |
| <b>Current assets</b>   |       |           |           |             |           |
| Stocks  | 31    | 8,071     |           | 9,364       |           |
| Debtors   | 32    | 618,175   |           | 654,120     |           |
| Cash at bank and in hand  |       | 288,296   |           | 416,125     |           |
| <b>Total current assets</b>   |       | 914,542   |           | 1,079,609   |           |
| <b>Creditors: amounts falling due within one year</b>   | 33    | (982,265) |           | (1,152,588) |           |
| <b>Net current (liabilities)</b>  |       |           | (67,723)  |             | (72,979)  |
| <b>The total net assets of the charity</b>  |       |           | 1,139,869 |             | 1,483,056 |
| <b>The total net assets of the charity are funded by the funds of the charity, as follows:-</b> |       |           |           |             |           |
| <b>Restricted funds</b>   |       |           |           |             |           |
| Restricted Revenue Funds  | 38    |           | 455,676   |             | 368,317   |
| <b>Unrestricted Funds</b>   |       |           |           |             |           |
| Unrestricted Revenue Funds  | 38    |           | 684,193   |             | 1,114,739 |
| <b>Total charity funds</b>  |       |           | 1,139,869 |             | 1,483,056 |

The Trustees have prepared the group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustees Investment (Scotland) Act 2005.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime

Approved by the board of trustees on 17.9.19 and signed on their behalf by:



MAX STEINBERG CBE

Trustee

# Roy Castle Lung Cancer Foundation

## Consolidated Cash Flow Statement for the year ended 31 December 2018 (continued)

|   | 2018<br>£      | 2017<br>£      |
|---|----------------|----------------|
| <b>Cash flows from operating activities</b>   |                |                |
| Net cash used in operating activities as shown below  | (410,933)      | (763,583)      |
| <b>Cash flows from investing activities</b>   |                |                |
| Interest received   | 730            | 1,910          |
| Dividends received  | 35,442         | 40,433         |
| Other investment income, including rents from investments                                     | 68,192         | 127,904        |
| Purchase of property, plant and equipment   | (58,385)       | (33,758)       |
| Receipts from sale of tangible fixed assets   | 13,639         | -              |
| Proceeds from sales of investments  | 319,166        | 158,490        |
| Purchase of investments   | (74,898)       | (147,743)      |
| Increase in cash held for investment  | 58,364         | (49,345)       |
| <b>Net cash used in investing activities</b>  | 362,250        | (97,891)       |
| <b>Net decrease in cash and cash equivalents</b>  | (48,683)       | (665,692)      |
| <b>Cash movements</b>   |                |                |
| <i>Change in cash and cash equivalents from activities in the year ended 31 December 2018</i> | (48,683)       | (665,692)      |
| Cash and cash equivalents at 1 January 2018   | 601,503        | 1,267,195      |
| <b>Cash at bank and in hand at 31 December 2018</b>   | <b>552,820</b> | <b>601,503</b> |
|   | 2018<br>£      | 2017<br>£      |
| <b>Reconciliation of net income to net cash flow from operating activities</b>                |                |                |
| Net expenditure shown in the Statement of Financial Activities                                | (447,507)      | (616,064)      |
| <b>Adjustments for :-</b>   |                |                |
| Depreciation charges  | 75,262         | 82,199         |
| Net change on investment assets   | 56,745         | (83,063)       |
| Dividends, interest and rents from investments  | (104,364)      | (170,247)      |
| Decrease/(increase) in stocks   | 9,768          | (11,192)       |
| Decrease/(increase) in debtors  | 165,823        | (48,585)       |
| (Decrease)/increase in creditors  | (166,660)      | 83,369         |
| <b>Net cash used in operating activities</b>  | (410,933)      | (763,583)      |
|   | 2018<br>£      | 2017<br>£      |
| <b>Analysis of cash and cash equivalents</b>  |                |                |
| Cash in hand at for the year ended 31 December 2018   | 552,820        | 601,503        |
| <b>Total cash and cash equivalents</b>  | <b>552,820</b> | <b>601,503</b> |



# Roy Castle Lung Cancer Foundation

## Charity Only Cash Flow Statement for the year ended 31 December 2018 (continued)

|  | 2018<br>£        | 2017<br>£        |
|--|------------------|------------------|
| <b>Cash flows used in operating activities</b>   |                  |                  |
| Net cash used in operating activities as shown below                                   | (449,029)        | (481,209)        |
| <b>Cash flows used in investing activities</b>   |                  |                  |
| Interest received  | 1,413            | 1,910            |
| Dividends received   | 35,442           | 40,433           |
| Other investment income, including rents from investments                              | 27,416           | 57,835           |
| Purchase of property, plant and equipment  | (45,702)         | -                |
| Proceeds from sales of investments   | 377,529          | 115,253          |
| Purchase of investments  | (74,898)         | (147,745)        |
| <b>Net cash used in investing activities</b>   | <b>321,200</b>   | <b>67,686</b>    |
| <b>Overall cash used in all activities</b>   | <b>(127,829)</b> | <b>(413,523)</b> |
| <b>Cash movements</b>  |                  |                  |
| Change in cash and cash equivalents from activities in the year ended 31 December 2018 | (127,829)        | (413,523)        |
| Cash and cash equivalents at 1 January 2018  | 416,125          | 829,648          |
| <b>Cash at bank and in hand at 31 December 2018</b>                                    | <b>288,296</b>   | <b>416,125</b>   |
|  | 2018<br>£        | 2017<br>£        |
| <b>Reconciliation of net income to net cash flow from operating activities</b>         |                  |                  |
| Net income shown in the Statement of Financial Activities                              | (343,187)        | (485,781)        |
| <b>Adjustments for:-</b>   |                  |                  |
| Depreciation charges   | 34,770           | 37,276           |
| Net change on investment assets  | 56,745           | (89,173)         |
| Dividends, interest and rents from investments   | (64,271)         | (100,179)        |
| Decrease in current asset investments  | -                | -                |
| Decrease/(increase) in stocks  | 1,293            | (2,694)          |
| Decrease in debtors  | 35,945           | 93,235           |
| (Decrease)/increase in creditors   | (170,324)        | 66,107           |
| <b>Net cash used by operating activities</b>   | <b>(449,029)</b> | <b>(481,209)</b> |
|  | 2018<br>£        | 2017<br>£        |
| <b>Analysis of cash and cash equivalents</b>   |                  |                  |
| Cash in hand at for the year ended 31 December 2018                                    | 288,296          | 416,125          |
| <b>Total cash and cash equivalents</b>   | <b>288,296</b>   | <b>416,125</b>   |

**1 Accounting policies**

***Policies relating to the production of the accounts.***

**Basis of preparation and accounting convention**

These consolidated accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Roy Castle Lung Cancer Foundation meets the definition of a public benefit entity under FRS102.

The registered office and principal place of business is Cotton Exchange, Old Hall Street, Liverpool, England, L3 9LQ.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results, assets and liabilities of the subsidiaries are consolidated on a line by line basis.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

**Control of members of the group and transfer of funds**

The parent charity has concluded that control exists over its subsidiaries for the following reasons: - They are either a wholly owned subsidiary with directors appointed by the Roy Castle Lung Cancer Foundation or a charity and company limited by guarantee and controlled by trustees appointed by the Roy Castle Lung Cancer Foundation.

**Legal Status**

The Charity is a company limited by guarantee, has no share capital and is governed by its Memorandum and Articles of Association. The liability of each member in the event of winding up is £10. The company is registered as a charity with both the Charity Commission and the Office of the Scottish Charity Regulator.

**Going Concern**

The Group and Charity produces an annual budget with a revised half yearly forecast and has a fully costed strategy until 2021, after reviewing these strategic forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

**Policies relating to categories of income and income recognition.**

**a) Accounting for deferred income and income received in advance**

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

**1 Accounting policies (continued)**

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

**b) Income from legacies**

Income from legacies is recognised when the charity has sufficient evidence that a gift has been left to them, that where required, probate has been granted, the executor is satisfied that the property in question will not be required to satisfy claims in the estate, that it is probable that the amount will be received by the charity, and the amount to be received can be estimated with sufficient accuracy, and that any conditions attached to the legacy are either within the control of the charity or have been met.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that the payment had been agreed by the executors prior to the end of the reporting period, then the amount concerned is treated as an adjusting event and accrued as income in the accounting period if receipt is probable.

Where the charity has established entitlement to a legacy but there is uncertainty as to the amount of the payment, details of the legacy are disclosed as a contingent asset until the criteria for income recognition are met. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of the life tenant.

Where there is any doubt that full settlement of a legacy debtor will be received, then an adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the Statement of Financial Activities.

**c) Donated goods, facilities and services**

Donated fixed assets are recognised at the current fair value. All such donations are recognised as donation income and debited to fixed assets.

Donated goods that are not fixed assets are accounted for at a fair value, unless it is impractical to reliably measure the value of the donated items.

It is deemed impracticable to measure the fair value of goods donated for resale and that costs of valuation outweigh the benefits, as a consequence the value of donated goods are recognised as income when sold.

Donated services and facilities (including seconded staff and use of property) are included in the accounts on the basis of the value of the gift to the charity.

All donated services and facilities are recognised as donation income when received (provided the value of the gift can be measured reliably) and recognised as an expense with an equivalent value.

**1 Accounting policies (continued)**

**d) Lottery Income Policy**

Lottery income is recognised on an accruals basis, the timing of the accounting of the income being determined by the date of the lottery game played.

**e) Rental Income Policy**

Rental income on assets leased under operating leases is recognised on a straight-line basis over the lease term and is present within investment income.

**Policies relating to expenditure on goods and services provided to the charity.**

**a) Recognition of liabilities and expenditure**

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated.

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities and is decreased by the utilisation of any provision within the period and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

**b) Allocating costs to activities**

Direct costs that are specifically related to an activity are allocated to that activity. Shared direct costs and support costs are apportioned between activities.

The basis for apportionment, which is consistently applied, and proportionate to the circumstances, is:-

**c) Direct Staff Cost** - Directly allocated on the basis of time spent in connection with any particular activity.

**d) Indirect Staffing** - on a per capita basis, based on the number of people employed within any particular activity. Indirect staff costs are allocated as follows:

- Directors and CEO, estimated time spent on operational activities
- Finance, estimated time spent on governance and remaining costs allocated on number of full-time equivalent (FTE) staff
- HR, allocated on number of full-time equivalent (FTE) staff excluding research staff
- Office services and IT, allocated on number of full-time equivalent (FTE) staff

**e) Premises related costs** - on a per capita basis, based on the number of people employed within any particular activity.

**f) Non-specific support costs** - on a per capita basis, based on the number of people employed within any particular activity.

**g) Estimation techniques** used in apportioning costs are based on FTE time spent on activities.

**1 Accounting policies (continued)**

**h) Volunteers**

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the trustees value the significant contribution made to the activities of the charity by unpaid volunteers and this is described more fully in Note 7 and the strategic report.

**Policies relating to assets, liabilities and provisions and other matters.**

**a) Fixed Asset Investments**

Fixed asset investments in quoted shares, traded bonds, investment properties and similar investments are shown initially at cost upon acquisition and at their market value at the balance sheet date at the end of the financial period.

Fixed asset investments in unlisted equities are shown at the balance sheet date at cost and subsequently measured at cost less any accumulated impairment losses, a review is undertaken at each year end as to whether the asset should be written down.

All gains on fixed asset investments, whether realised or unrealised, are included in the Statement of Financial Activities.

**b) Tangible fixed assets**

Fixed assets costing more than £500 are capitalised and valued at historic cost except for items individually below threshold but included in a project whose overall cost is greater than £500.

Tangible fixed assets are measured at their original cost value. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

|   |                              |
|---|------------------------------|
| Leasehold premises                      | over the length of the lease |
| Fixtures and Fittings                   | over the length of the lease |
| Research, office and computer equipment | between 10% and 25%          |

**c) Stocks and work in progress**

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Donated items sourced from both individuals and organisations are not included in the financial statements until they are sold.

**d) Debtors**

Debtors are measured at their recoverable amounts at the balance sheet date.

**e) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their transaction amount.

**1 Accounting policies (continued)**

**f) Financial instruments including cash and bank balances**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Cash held by the charity is included at the amount actually held and counted at the year end. Bank balances, whether in credit or overdrawn, are shown at the amounts properly reconciled to the bank statements.

All financial assets and liabilities are measured at cost.

**g) Leasing**

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

**h) Pensions - defined contribution schemes**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the company.

**i) Charitable commitments**

Commitments that are legally binding on the trustees are accounted for as a resource expended in the SOFA. Where the intention of financial support is not binding on the trustees, such intentions are not accrued for but are disclosed separately in a note to the accounts.

**j) Branch Offices**

The Charity carries out some activities through offices that use the same name as the Charity, raise funds for the Charity and receive support from the Charity through advice and publicity materials. All transactions are accounted for gross in the accounts and all assets and liabilities are included in the Charity's balance sheet.

**k) Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**l) Consolidation**

Roy Castle Retail Ltd (Company number 03604677), Roy Castle Trading Ltd (Company number 03909935), Roy Castle Clean Air Ltd (Company number 05748774), Roy Castle Patient Support Ltd (Company number 06149309), Cut Films Project Ltd (Company number 06848267) and its wholly owned subsidiary Cut Films Limited (Company number 07313137) is controlled by the Roy Castle Lung Cancer Foundation and is consolidated in these accounts on a line by line basis.

## 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### ***Estimate of Dilapidation Accrual:***

Dilapidations are accrued for on the basis of historical costs incurred as a proportion of rental values paid and realistic expectation following an internal review of the property. These assumptions are reviewed on an annual basis. There is a balance of £55k in accruals at 31 December 2018. Last invoices arrived in February 2019.

### ***Recoverability of group Debts:***

Group debt is reviewed annually and any amounts deemed irrecoverable are provided for in the Charity only accounts. At 31 December 2018, intercompany debts that are deemed irrecoverable due to the Charity have been written down to £nil on the basis of the subsidiaries' unlikely ability to repay these amounts.

## 3 Liability to taxation

As a registered charity, the organisation is exempt from income and corporation tax to the extent that its income and gains are applied towards the charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity and is therefore included in the relevant costs in the Statement of Financial Activities.

Value Added Tax is recoverable by Roy Castle Retail Ltd, Roy Castle Clean Air Ltd and Cut Films Ltd, it is therefore not reported or included in the costs or income figures of these companies or consolidated into the group accounts.

## 4 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

| 5 Net (expenditure)/income before tax in the financial year for the group                | 2018           | 2017           |
|--|----------------|----------------|
|  | £              | £              |
| The net (expenditure)/income before tax in the financial year is stated after charging:- |                |                |
| Depreciation of fixed assets   | 75,262         | 82,199         |
| Operating leases   | 595,527        | 665,087        |
|  | <u>670,789</u> | <u>747,286</u> |

Exceptional costs included in the charity only statement of financial activities of £nil (2017: £40,302) was in relation to the write off of intercompany balances.

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

| <b>Fees payable to the group's auditor:</b>                | <b>2018<br/>£</b> | <b>2017<br/>£</b> |
|--|-------------------|-------------------|
| <b>For audit services</b>                                  |                   |                   |
| Audit of the financial statements of the group and charity | 18,350            | 17,800            |
|  | <u>18,350</u>     | <u>17,800</u>     |
| Taxation compliance services                               | 2,775             | 4,125             |
| All other non-audit services                               | 7,360             | 7,450             |
|  | <u>10,135</u>     | <u>11,575</u>     |

| <b>6 Interest payable</b> | <b>2018<br/>£</b> | <b>2017<br/>£</b> |
|---------------------------|-------------------|-------------------|
| Loan interest             | -                 | 835               |
| Bank interest payable     | 711               | 597               |
|                           | <u>711</u>        | <u>1,432</u>      |

## 7 The contribution of volunteers

The Charity has significant support from volunteers in all our activities. Currently we have 426 volunteers registered with us, and they regularly support us in the Foundations' shops, smoking cessation service, administration and in fundraising. In total volunteers contribute an estimated 42,174 hours per year which is the equivalent to over 24 full-time employees.

The charity does not recognise in financial terms in the accounts the valuable contribution of our volunteers.

## 8 Staff costs and emoluments

|                               | <b>Group<br/>2018<br/>£</b> | <b>Group<br/>2017<br/>£</b> | <b>Charity<br/>2018<br/>£</b> | <b>Charity<br/>2017<br/>£</b> |
|-------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Gross salaries                | 1,945,005                   | 2,041,434                   | 1,050,746                     | 1,122,718                     |
| Employer's National Insurance | 138,085                     | 150,134                     | 93,069                        | 101,238                       |
| Employer's Pension            | 34,885                      | 29,222                      | 25,542                        | 22,840                        |
|                               | <u>2,117,984</u>            | <u>2,220,790</u>            | <u>1,169,357</u>              | <u>1,246,796</u>              |

The average number of staff deployed in different activities in the group in the year was:-

|  | <b>2018<br/>£</b> | <b>2017<br/>£</b> |
|--|-------------------|-------------------|
| Engaged on charitable activities         | 21                | 21                |
| Engaged on fundraising activities        | 13                | 16                |
| Engaged on management and administration | 14                | 16                |
| Engaged on retail activities             | 84                | 81                |
|  | <u>132</u>        | <u>134</u>        |



## Roy Castle Lung Cancer Foundation

### Notes to the Consolidated Accounts for the year ended 31 December 2018

The average number of staff in charity only in the year was 46 (2017: 51).

The number of employees whose emoluments including taxable benefits but excluding employer's pension contributions fall into the following bands were :-

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| £60,001 to £70,000<br>(Group and charity) | 1         | 1         |
|   | <u>1</u>  | <u>1</u>  |

|  | 2018<br>£     | 2017<br>£     |
|--|---------------|---------------|
| Chief Executive Officer/ Highest paid employee                     |               |               |
| The remuneration in the year was                                   | 60,887        | 68,500        |
| Pension contributions paid by the employer                         | 3,028         | 3,425         |
|  | <u>63,915</u> | <u>71,925</u> |
| <b>Total remuneration package included in total salaries above</b> | <u>63,915</u> | <u>71,925</u> |

#### 9 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

Trustees were reimbursed expenses incurred which amounted to £2,376 (2017: £1,804) in relation to travel expenses.

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

| 10 | Donations and Legacies - Consolidated                      | Unrestricted Funds<br>2018<br>£ | Restricted Funds<br>2018<br>£ | Total Funds<br>2018<br>£ | Total Funds<br>2017<br>£ |
|----|--|---------------------------------|-------------------------------|--------------------------|--------------------------|
|    | <b>Donations and gifts from individuals</b>                |                                 |                               |                          |                          |
|    | Donations  | 17,990                          | -                             | 17,990                   | 20,776                   |
|    | Employee Fundraising                                       | 6,946                           | -                             | 6,946                    | 23,351                   |
|    | Individual Giving  | 377,593                         | 3,525                         | 381,118                  | 266,412                  |
|    | Payroll Giving   | 107,559                         | -                             | 107,559                  | 111,153                  |
|    | Balance sheet value of Cut Films                           |                                 |                               |                          |                          |
|    |  | 510,088                         | 3,525                         | 513,613                  | 421,692                  |
|    | <b>Legacies receivable</b>                                 |                                 |                               |                          |                          |
|    | Legacies receivable  | 338,411                         | -                             | 338,411                  | 442,395                  |
|    |  | 848,499                         | 3,525                         | 852,024                  | 442,395                  |
|    | <b>Revenue grants and donations from non-public bodies</b> |                                 |                               |                          |                          |
|    | Corporate Grants   | 150,019                         | 23,043                        | 173,062                  | 68,337                   |
|    | Corporate Events   | -                               | -                             | -                        | 1,657                    |
|    | Trusts   | 11,875                          | 95,888                        | 107,763                  | 128,515                  |
|    |  | 161,894                         | 118,931                       | 280,825                  | 198,509                  |
|    | <b>Sponsorship</b>   |                                 |                               |                          |                          |
|    | Pause for Hope   | -                               | 2,237                         | 2,237                    | 8,361                    |
|    | Sponsorship  | 3,988                           | 349,440                       | 353,428                  | 269,724                  |
|    |  | 3,988                           | 351,677                       | 355,665                  | 278,085                  |
|    | <b>In Memoriam</b>   |                                 |                               |                          |                          |
|    | In Memoriam  | 160,067                         | 210                           | 160,277                  | 152,713                  |
|    |  | 160,067                         | 210                           | 160,277                  | 152,713                  |
|    | <b>Gift Aid on Donations</b>                               |                                 |                               |                          |                          |
|    | Gift Aid on Donations                                      | 105,366                         | -                             | 105,366                  | 108,266                  |
|    |  | 105,366                         | -                             | 105,366                  | 108,266                  |
|    | <b>Total Donations and Legacies – Consolidated</b>         | <b>1,279,814</b>                | <b>474,343</b>                | <b>1,754,157</b>         | <b>1,601,660</b>         |

Of the 2017 income, £1,222,273 was unrestricted and £379,387 was restricted.

**11 Income from charitable activities - Consolidated**

|   | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>Charitable income from funders</b>                     |                                    |                                  |                             |                             |
| SLA smoking cessation service provision –<br>Liverpool CC | -                                  | 25,000                           | 25,000                      | 24,883                      |
|   | -                                  | 25,000                           | 25,000                      | 24,883                      |
| <b>Reimbursement</b>                                      |                                    |                                  |                             |                             |
| Minor reimbursed expenses and honoraria                   | 2,385                              | -                                | 2,385                       | 8,322                       |
|   | 2,385                              | -                                | 2,385                       | 8,322                       |
| <b>Total income from charitable activities</b>            | <b>2,385</b>                       | <b>25,000</b>                    | <b>27,385</b>               | <b>33,205</b>               |

Total income from charitable activities of £27,385 split by activity is split by £2,385 (2017: £8,322) research and £25,000 (2017: £24,883) prevention.

Of the 2017 income, £16,392 was unrestricted and £16,813 was restricted.

**12 Income from other, non-charitable, trading activities - Consolidated**

|  | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Trading activities to raise funds  | 23,191                             | -                                | 23,191                      | -                           |
| Income from fundraising events   | 467,928                            | -                                | 467,928                     | 566,955                     |
| Income from the sale of donated and brought in goods                           | 2,050,887                          | -                                | 2,050,887                   | 1,953,191                   |
| Sponsorships and social lotteries which cannot be<br>considered pure donations | 23,158                             | -                                | 23,158                      | 62,271                      |
|  | <b>2,565,164</b>                   | <b>-</b>                         | <b>2,565,164</b>            | <b>2,582,417</b>            |

Total income from other non-charitable, trading activities split by activity is split by £514,277 (2017: £629,226) fundraising and £2,050,887 (2017: £1,953,191) sales of donated and related goods.

All of the 2017 income was unrestricted.

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

### 13 Investment income - Consolidated

|                          | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Property Rental Income   | 68,192                             | -                                | 68,192                      | 127,904                     |
| Dividend Income          | 35,442                             | -                                | 35,442                      | 40,432                      |
| Bank Interest Receivable | 730                                | -                                | 730                         | 1,910                       |
|                          | <u>104,364</u>                     | <u>-</u>                         | <u>104,364</u>              | <u>170,246</u>              |

All of 2017 income was unrestricted.

### 14 Other - Consolidated

|                        | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Consultancy and advice | 8,627                              | -                                | 8,627                       | 6,599                       |
| Other income           | 55,000                             | -                                | 55,000                      | 111,000                     |
|                        | <u>63,627</u>                      | <u>-</u>                         | <u>63,627</u>               | <u>117,599</u>              |

All of 2017 income was unrestricted.

### 15 Expenditure on raising funds and costs of investment management - Consolidated

|   | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Cost of fundraising activities                    | 21,688                             | -                                | 21,688                      | 29,211                      |
| Marketing & advertising of fundraising            | 11,028                             | -                                | 11,028                      | 17,220                      |
| Costs of seeking donations, grants and legacies   | 358                                | -                                | 358                         | 369                         |
| Cost of operating social lotteries                | 5,875                              | -                                | 5,875                       | 18,695                      |
| Costs of staging fundraising events               | 137,091                            | -                                | 137,091                     | 137,879                     |
| Costs of charity shop selling goods               | 1,883,306                          | -                                | 1,883,306                   | 1,774,324                   |
| Gross wages and salaries - fundraising activities | 351,794                            | -                                | 351,794                     | 408,840                     |
| Temporary Staff - fundraising activities          | 1,756                              | -                                | 1,756                       | 1,716                       |
| Other Direct Costs - fundraising Activities       | 160,486                            | -                                | 160,486                     | 148,446                     |
| Staff Training & Welfare - fundraising Activities | 6,124                              | -                                | 6,124                       | 9,719                       |
| Travel and Subsistence - fundraising Activities   | 9,915                              | -                                | 9,915                       | 14,672                      |
|   | <u>2,589,421</u>                   | <u>-</u>                         | <u>2,589,421</u>            | <u>2,561,091</u>            |

Of the 2017 expenditure £2,561,091 was unrestricted.

16 Expenditure on charitable activities - Consolidated

|   | Note | Staff<br>Costs<br>2018<br>£ | Other<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|---|------|-----------------------------|--------------------|-----------------------------|-----------------------------|
| <b>Direct spending</b>                  |      |                             |                    |                             |                             |
| Restricted                              |      | -                           | 39,594             | 39,594                      | 165,346                     |
| Unrestricted                            |      | 338,695                     | 429,158            | 767,853                     | 793,832                     |
|   |      | <u>338,695</u>              | <u>468,752</u>     | <u>807,447</u>              | <u>959,178</u>              |
| <b>Grant funding</b>                    |      |                             |                    |                             |                             |
| Individual grants                       |      | -                           | 68,200             | 68,200                      | 88,350                      |
| Organisation grants                     | 26   | -                           | 547,260            | 547,260                     | 396,372                     |
| Staff costs                             |      | 31,195                      | -                  | 31,195                      | 30,798                      |
|   |      | <u>31,195</u>               | <u>615,460</u>     | <u>646,655</u>              | <u>515,520</u>              |
| <b>Support costs (all unrestricted)</b> |      |                             |                    |                             |                             |
| Staff costs                             |      | 574,403                     |                    | 574,403                     | 547,429                     |
| Premises costs                          |      | -                           | 110,047            | 110,047                     | 309,335                     |
| Legal and professional costs            |      | -                           | (9,981)            | (9,981)                     | 8,976                       |
| Financial                               |      | -                           | 78,648             | 78,648                      | 79,972                      |
| Other                                   |      | -                           | 77,902             | 77,902                      | 156,820                     |
|   |      | <u>574,403</u>              | <u>256,616</u>     | <u>831,019</u>              | <u>1,102,532</u>            |
| <b>Governance costs</b>                 |      | -                           | 30,917             | 30,917                      | 65,933                      |
|   |      | <u>944,293</u>              | <u>1,371,745</u>   | <u>2,316,038</u>            | <u>2,643,163</u>            |

Of the £2,316,038 (2017: £2,643,163) expenditure £414,781 (2017: £460,783) related to restricted funds and was all categorised as other expenditure.

17 Summary of charitable costs by activity - Consolidated

|            | Direct<br>costs | Support<br>costs | Grant<br>funding<br>of activities | Governance    | Total<br>2018    | Total<br>2017    |
|------------|-----------------|------------------|-----------------------------------|---------------|------------------|------------------|
| Research   | 285,715         | 437,378          | 578,455                           | 16,272        | 1,317,820        | 1,418,287        |
| Support    | 378,378         | 349,903          | 68,200                            | 13,018        | 809,499          | 942,306          |
| Prevention | 143,354         | 43,738           | -                                 | 1,627         | 188,719          | 282,570          |
|            | <u>807,447</u>  | <u>831,019</u>   | <u>646,655</u>                    | <u>30,917</u> | <u>2,316,038</u> | <u>2,643,163</u> |

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

### 18 Donations and Legacies - Charity only

|  | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>Donations and gifts from individuals</b>                |                                    |                                  |                             |                             |
| Donations  | 11,326                             | -                                | 11,326                      | 3,342                       |
| Employee Fundraising                                       | 6,946                              | -                                | 6,946                       | 23,351                      |
| Individual Giving  | 377,593                            | 3,525                            | 381,118                     | 266,413                     |
| Payroll Giving   | 107,559                            | -                                | 107,559                     | 111,153                     |
|  | <u>503,424</u>                     | <u>3,525</u>                     | <u>506,949</u>              | <u>404,259</u>              |
| <b>Legacies receivable</b>                                 |                                    |                                  |                             |                             |
| Legacies receivable  | 338,411                            | -                                | 338,411                     | 442,395                     |
|  | <u>338,411</u>                     | <u>-</u>                         | <u>338,411</u>              | <u>442,395</u>              |
| <b>Revenue grants and donations from non-public bodies</b> |                                    |                                  |                             |                             |
| Corporate Grants   | 150,019                            | 23,043                           | 173,062                     | 68,337                      |
| Corporate Events   | -                                  | -                                | -                           | 1,657                       |
| Trusts   | 11,875                             | 95,888                           | 107,763                     | 128,515                     |
|  | <u>161,894</u>                     | <u>118,931</u>                   | <u>280,825</u>              | <u>198,509</u>              |
| <b>Sponsorship</b>   |                                    |                                  |                             |                             |
| Pause for Hope   | -                                  | 2,237                            | 2,237                       | 8,361                       |
| Sponsorships   | (11)                               | 349,440                          | 349,428                     | 256,254                     |
|  | <u>(11)</u>                        | <u>351,677</u>                   | <u>351,666</u>              | <u>264,615</u>              |
| <b>In Memoriam</b>   |                                    |                                  |                             |                             |
| In Memoriam  | 154,722                            | 210                              | 154,932                     | 144,237                     |
|  | <u>154,722</u>                     | <u>210</u>                       | <u>154,932</u>              | <u>144,237</u>              |
| <b>Gift Aid on Donations</b>                               |                                    |                                  |                             |                             |
| Gift Aid on Donations                                      | 527,781                            | -                                | 527,781                     | 385,355                     |
|  | <u>527,781</u>                     | <u>-</u>                         | <u>527,781</u>              | <u>385,355</u>              |
| <b>Total Donations and Legacies - Charity</b>              | <u>1,686,221</u>                   | <u>474,343</u>                   | <u>2,160,564</u>            | <u>1,839,370</u>            |

Of the 2017 income, £1,459,983 was unrestricted and £379,387 was restricted.

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

### 19 Income from charitable activities - Charity only

|  | Unrestricted<br>Funds<br>2018 | Restricted<br>Funds<br>2018 | Total<br>Funds<br>2018 | Total<br>Funds<br>2017 |
|--|-------------------------------|-----------------------------|------------------------|------------------------|
| <b>Reimbursement</b>                           |                               |                             |                        |                        |
| Minor reimbursed expenses and honoraria        | 2,385                         | -                           | 2,385                  | 8,322                  |
|  | <u>2,385</u>                  | <u>-</u>                    | <u>2,385</u>           | <u>8,322</u>           |
| <b>Total income from charitable activities</b> | <u>2,385</u>                  | <u>-</u>                    | <u>2,385</u>           | <u>8,322</u>           |

Total income from charitable activities all related to prevention.

All of 2017 income was unrestricted.

### 20 Income from other, non-charitable, trading activities - Charity only

|   | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Trading activities to raise funds for the charity                           | -                                  | -                                | -                           | 442                         |
| Income from fundraising events  | 110,437                            | -                                | 110,437                     | 387,004                     |
| Sponsorships and social lotteries which cannot be considered pure donations | 21,817                             | -                                | 21,817                      | 59,357                      |
|   | <u>132,254</u>                     | <u>-</u>                         | <u>132,254</u>              | <u>446,803</u>              |

Total income from other non-charitable, trading activity split by activity all related to fundraising activities.

All of the 2017 income was unrestricted.

### 21 Investment income - Charity Only

|                          | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Property Rental Income   | 27,416                             | -                                | 27,416                      | 57,835                      |
| Dividend Income          | 35,442                             | -                                | 35,442                      | 40,433                      |
| Bank Interest Receivable | 1,413                              | -                                | 1,413                       | 1,910                       |
|                          | <u>64,271</u>                      | <u>-</u>                         | <u>64,271</u>               | <u>100,178</u>              |

All of 2017 income was unrestricted.

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

### 22 Other - Charity

|                        | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Consultancy and advice | 8,627                              | -                                | 8,627                       | 6,599                       |
| Other income           | 55,000                             | -                                | 55,000                      | 111,000                     |
|                        | <u>63,627</u>                      | <u>-</u>                         | <u>63,627</u>               | <u>117,599</u>              |

All of 2017 income was unrestricted.

### 23 Expenditure on raising funds and costs of investment management - Charity only

|   | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Cost of fundraising activities                    | 12,512                             | -                                | 12,512                      | 24,241                      |
| Marketing & advertising of fundraising            | 11,028                             | -                                | 11,028                      | 15,955                      |
| Costs of seeking donations, grants and legacies   | 358                                | -                                | 358                         | 369                         |
| Cost of operating social lotteries                | 5,875                              | -                                | 5,875                       | 18,695                      |
| Costs of staging fundraising events               | 47,416                             | -                                | 47,416                      | 83,684                      |
| Gross wages and salaries - fundraising activities | 351,794                            | -                                | 351,794                     | 408,840                     |
| Temporary Staff - fundraising activities          | 1,756                              | -                                | 1,756                       | 1,716                       |
| Other Direct Costs - Fundraising Activities       | 150,524                            | -                                | 150,524                     | 141,967                     |
| Staff Training & Welfare - Fundraising Activities | 6,124                              | -                                | 6,124                       | 9,719                       |
| Travel and Subsistence - Fundraising Activities   | 9,910                              | -                                | 9,910                       | 14,647                      |
|   | <u>597,297</u>                     | <u>-</u>                         | <u>597,297</u>              | <u>719,833</u>              |

All of the 2017 expenditure was unrestricted.



**24 Expenditure on charitable activities - Charity**

|   | Note | Staff costs<br>2018<br>£ | Other<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|---|------|--------------------------|--------------------|-----------------------------|-----------------------------|
| <b>Direct spending</b>                  |      |                          |                    |                             |                             |
| Restricted                              |      | -                        | 11,797             | 11,797                      | 155,462                     |
| Unrestricted                            |      | 268,346                  | 383,950            | 652,296                     | 582,644                     |
|   |      | <u>268,346</u>           | <u>395,747</u>     | <u>664,093</u>              | <u>738,106</u>              |
| <b>Grant funding</b>                    |      |                          |                    |                             |                             |
| Individual grants                       |      | -                        | 68,200             | 68,200                      | 88,350                      |
| Organisation grants                     | 26   | -                        | 547,260            | 547,260                     | 396,372                     |
| Staff costs                             |      | 31,195                   | -                  | 31,195                      | 30,798                      |
|   |      | <u>31,195</u>            | <u>615,460</u>     | <u>646,655</u>              | <u>515,520</u>              |
| <b>Support costs (all unrestricted)</b> |      |                          |                    |                             |                             |
| Staff costs                             |      | 574,403                  | -                  | 574,403                     | 547,429                     |
| Premises costs                          |      | -                        | 106,159            | 106,159                     | 274,600                     |
| Legal and professional costs            |      | -                        | (9,994)            | (9,994)                     | 8,806                       |
| Depreciation/interest                   |      | -                        | 34,226             | 34,226                      | 38,925                      |
| Other - admin                           |      | -                        | 76,700             | 76,700                      | 190,239                     |
|   |      | <u>574,403</u>           | <u>207,091</u>     | <u>781,494</u>              | <u>1,059,999</u>            |
| <b>Governance costs</b>                 |      | -                        | 20,004             | 20,004                      | 53,768                      |
|   |      | <u>873,944</u>           | <u>1,238,302</u>   | <u>2,112,246</u>            | <u>2,367,393</u>            |

Of the £2,112,246 (2017: £2,367,393) expenditure £386,984 (2017: £450,899) related to restricted funds and was categorised as other expenditure.

**25 Summary of charitable costs by activity – Charity only**

|            | Direct costs   | Support costs  | Grant funding of activities | Governance    | Total 2018       | Total 2017       |
|------------|----------------|----------------|-----------------------------|---------------|------------------|------------------|
| Research   | 285,715        | 411,317        | 578,455                     | 10,528        | 1,286,015        | 1,389,498        |
| Support    | 378,378        | 329,046        | 68,200                      | 8,423         | 784,047          | 919,276          |
| Prevention | -              | 41,131         | -                           | 1,053         | 42,184           | 58,619           |
|            | <u>664,093</u> | <u>781,494</u> | <u>646,655</u>              | <u>20,004</u> | <u>2,112,246</u> | <u>2,367,393</u> |

26 Breakdown of Grants to organisations

|                           | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|---------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| University of Liverpool   | 146,217                            | -                                | 146,217                     | 133,985                     |
| University College London | 180,731                            | -                                | 180,731                     | 67,263                      |
| Kings College London      | 2,000                              | 26,000                           | 28,000                      | 85,124                      |
| University of Nottingham  | 24,038                             | -                                | 24,038                      | 110,000                     |
| Nottingham Lung Health    | 102,000                            | -                                | 102,000                     | -                           |
| Nottingham                | 20,000                             | -                                | 20,000                      | -                           |
| Cambridge                 | 75,876                             | -                                | 75,876                      | -                           |
| Bristol                   | (3,210)                            | -                                | (3,210)                     | -                           |
| Southampton               | (41)                               | -                                | (41)                        | -                           |
| University of Manchester  | (25,004)                           | -                                | (25,004)                    | -                           |
| University of Sheffield   | (1,347)                            | -                                | (1,347)                     | -                           |
|                           | <b>521,260</b>                     | <b>26,000</b>                    | <b>547,260</b>              | <b>396,372</b>              |

In 2017 all expenditure was restricted.

Some of the balances above are negative as grants were not utilised in full.

27 Investment gains

| Group  | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Listed investments – Realised gains            | 74,235                             | -                                | 74,235                      | 17,521                      |
| Listed investments – Unrealised (losses)/gains | (130,980)                          | -                                | (130,980)                   | 65,542                      |
| <b>Total realised and unrealised gains</b>     | <b>(56,745)</b>                    | <b>-</b>                         | <b>(56,745)</b>             | <b>83,063</b>               |

All the gains on investments in 2017 were unrestricted.

| Charity Only                                   | Unrestricted<br>Funds<br>2018<br>£ | Restricted<br>Funds<br>2018<br>£ | Total<br>Funds<br>2018<br>£ | Total<br>Funds<br>2017<br>£ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Listed investments – Realised gains            | 74,235                             | -                                | 74,235                      | 17,521                      |
| Listed investments – Unrealised (losses)/gains | (130,980)                          | -                                | (130,980)                   | 71,652                      |
| <b>Total realised and unrealised gains</b>     | <b>(56,745)</b>                    | <b>-</b>                         | <b>(56,745)</b>             | <b>89,173</b>               |

All the gains on investments in 2017 were unrestricted.

**28 Tangible fixed assets**

| <b>Group</b>               | <b>Leasehold<br/>land and<br/>buildings<br/>£</b> | <b>Fixtures<br/>and<br/>fittings<br/>£</b> | <b>Research<br/>office and<br/>computer<br/>equipment<br/>£</b> | <b>Group<br/>total<br/>£</b> |
|----------------------------|---|--|---|------------------------------|
| <b>Cost</b>                |   |  |   |                              |
| At 1 January 2018          | 829,270   | 265,613                                    | 577,266   | 1,672,149                    |
| Additions                  | 12,097  | 27,299                                     | 18,989  | 58,385                       |
| Disposals                  | (264,228)   | (20,708)                                   | (160,953)   | (445,889)                    |
| <b>At 31 December 2018</b> | <b>577,139</b>                                    | <b>272,204</b>                             | <b>435,302</b>  | <b>1,284,645</b>             |
| <b>Depreciation</b>        |   |  |   |                              |
| At 1 January 2018          | 798,790   | 186,447                                    | 497,921   | 1,483,158                    |
| Charge for the year        | 15,417  | 23,350                                     | 36,495  | 75,262                       |
| Eliminated on disposal     | (265,695)   | (22,584)                                   | (143,971)   | (432,250)                    |
| <b>At 31 December 2018</b> | <b>548,512</b>                                    | <b>187,213</b>                             | <b>390,445</b>  | <b>1,126,170</b>             |
| <b>Net book value</b>      |   |  |   |                              |
| At 31 December 2018        | 28,627  | 84,991                                     | 44,857  | 158,475                      |
| At 31 December 2017        | 30,480  | 79,166                                     | 79,345  | 188,991                      |

| <b>Charity Only</b>        | <b>Leasehold<br/>land and<br/>buildings<br/>£</b> | <b>Fixtures<br/>and<br/>fittings<br/>£</b> | <b>Research<br/>office and<br/>computer<br/>equipment<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------|---|--|---|--------------------|
| <b>Cost</b>                |   |  |   |                    |
| At 1 January 2018          | 143,975   | 16,545                                     | 296,692   | 457,212            |
| Additions                  | 3,068   | 27,299                                     | 15,336  | 45,703             |
| Disposals                  | (140,260)   | -  | -   | (140,260)          |
| <b>At 31 December 2018</b> | <b>6,783</b>                                      | <b>43,844</b>                              | <b>312,028</b>  | <b>362,655</b>     |
| <b>Depreciation</b>        |   |  |   |                    |
| At 1 January 2018          | 131,923   | 16,545                                     | 263,023   | 411,491            |
| Charge for the year        | 11,517  | 3,482                                      | 19,771  | 34,770             |
| Disposals                  | (140,260)   | -  | -   | (140,260)          |
| <b>At 31 December 2018</b> | <b>3,180</b>                                      | <b>20,027</b>                              | <b>282,794</b>  | <b>360,001</b>     |
| <b>Net book value</b>      |   |  |   |                    |
| At 31 December 2018        | 3,603   | 23,817                                     | 29,234  | 56,654             |
| At 31 December 2017        | 12,052  | -  | 33,669  | 45,721             |

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

### 29 Investments held as fixed assets by the Parent Company

|                                       | Investments in<br>Subsidiary<br>undertakings<br>£ | Listed<br>investments<br>£ | Total<br>£       |
|---------------------------------------|---|----------------------------|------------------|
| <b>Carrying values of investments</b> |   |                            |                  |
| At 1 January 2018                     | 129,597   | 1,380,714                  | 1,510,311        |
| Additions                             | -   | 74,898                     | 74,898           |
| Cash movement                         | -   | (58,363)                   | (58,363)         |
| Revaluation at 31 December 2018       | -   | (130,981)                  | (130,981)        |
| Disposals                             | -   | (244,927)                  | (244,927)        |
| <b>At 31 December 2018</b>            | <b>129,597</b>                                    | <b>1,021,341</b>           | <b>1,150,938</b> |

The investment in the subsidiary companies Roy Castle Clean Air Limited £Nil (2017: £Nil) and Cut Films Limited £Nil (2017: £Nil) were impaired 2 years ago.

#### Analysis between historical cost and revaluation based on market value

|                                      |         |         |         |
|--------------------------------------|---------|---------|---------|
| Investments as above historical cost | 129,597 | 832,798 | 962,395 |
|--------------------------------------|---------|---------|---------|

#### Analysis of types of investments:

|                    | 2018      | 2017      |
|--------------------|-----------|-----------|
| Cash               | 152,718   | 211,651   |
| Listed investments | 868,623   | 1,169,063 |
|                    | 1,021,341 | 1,380,714 |

#### Analysis of investments in subsidiary undertakings by the Parent Company, The Roy Castle Lung Cancer Foundation

|   | Included at<br>Historical<br>cost, less<br>write down<br>£ |
|---|--|
| Loans to group undertakings             | 129,592  |
| Equity investment in group undertakings | 5  |
|   | 129,597  |

#### Analysis of equity investments:

|                  |   |
|------------------|---|
| Investments cost | 5 |
|                  | 5 |

The company holds 20% or more of the share capital of the following companies:

| Company                            | Shares held<br>Class | %   |
|------------------------------------|----------------------|-----|
| The Cut Films Projects Limited     | Ltd by guarantee     | -   |
| Cut Films Limited                  | Ordinary             | 100 |
| Roy Castle Patient Support Limited | Ordinary             | 100 |
| Roy Castle Retail Limited          | Ordinary             | 100 |
| Roy Castle Trading Limited         | Ordinary             | 100 |
| Roy Castle Clean Air Limited       | Ordinary             | 100 |

## Roy Castle Lung Cancer Foundation

### Notes to the Consolidated Accounts for the year ended 31 December 2018

#### 30 Subsidiary companies

The Charity has four wholly owned subsidiaries:

##### Three trading subsidiaries

Roy Castle Retail Ltd - Company number: 03604677  
 Roy Castle Trading Ltd - Company number: 03909935  
 Roy Castle Clean Air Ltd - Company number: 05748774

##### Principle Activities

Retail Charity Shops  
 Charity and Charitable Events  
 Provision of stop smoking services

##### One subsidiary charity

Roy Castle Patient Support Ltd - Company number: 06149309 - Charity number: 1125191 (formerly known as Roy Castle Patient Care Ltd).

On 15 January 2019, Roy Castle Clean Air Limited, Cut Films Projects Limited and Roy Castle Patient Support Limited who are subsidiaries within the Roy Castle Lung Cancer Foundation group were dissolved.

The charity has one subsidiary charity limited by guarantee which it controls via appointed trustees The Cut Films Project Ltd which itself has a separate trading subsidiary Cut Films Ltd which provides youth smoking awareness programmes.

Where liability is limited by shareholding the amount of the holding company's investment in each subsidiary is £2, which represents 100% of the issued ordinary share capital of each subsidiary. In all cases the subsidiary is controlled by the holding company by virtue of the power to appoint directors to the board of the subsidiary.

All companies are incorporated in England and Wales and are exempt from audit.

The subsidiary's activities relate to those of the holding company in that the subsidiary is a trading enterprise engaging in trades similar to the charitable activities of the holding company and donates its entire taxable trading profit to the holding company by way of gift aid.

#### A summary of the financial statements of the subsidiaries is:-

|  | 2018<br>£       | 2017<br>£        |
|--|-----------------|------------------|
| <b>Assets and Funds</b>                                  |                 |                  |
| Aggregate amount of assets                               | 971,665         | 658,416          |
| Aggregate amounts of liabilities                         | (751,004)       | (1,119,862)      |
| Aggregate amount of funds                                | <u>220,661</u>  | <u>(461,446)</u> |
| <b>Profit and Loss</b>                                   |                 |                  |
| Turnover net of VAT                                      | 2,577,316       | 2,354,864        |
| Expenses net of VAT                                      | (2,150,530)     | (2,161,905)      |
| <b>Net profit for the year before tax</b>                | <u>426,786</u>  | <u>192,959</u>   |
| Interest Paid  | (893)           | (835)            |
| Gift Aid Payments made to holding company                | (513,331)       | (364,082)        |
| <b>Net (loss) for the year after tax and gift aid</b>    | <u>(87,438)</u> | <u>(171,958)</u> |
|  | <b>Note</b>     |                  |
|  | <b>2018</b>     | <b>2017</b>      |
|  | <b>£</b>        | <b>£</b>         |
| Restricted funds retained within charitable subsidiaries | <u>40,208</u>   | <u>43,005</u>    |

Group

Charity Only

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

| 31 | Stock  | 2018<br>£     | 2017<br>£     | 2018<br>£    | 2017<br>£    |
|----|--------|---------------|---------------|--------------|--------------|
|    | Stocks | 80,209        | 89,977        | 8,071        | 9,364        |
|    |        | <u>80,209</u> | <u>89,977</u> | <u>8,071</u> | <u>9,364</u> |

Costs of stock included in the statement of financial activities amounted to £131,668 (2017: £128,258).

### Analysis of the value of stock by activity

|   | Group         |               | Charity Only |              |
|---|---------------|---------------|--------------|--------------|
| Activity                                      | 2018<br>£     | 2017<br>£     | 2018<br>£    | 2017<br>£    |
| Fundraising activities                        | 8,071         | 9,364         | 8,071        | 9,364        |
| Stocks for Sales of donated and related Goods | 72,138        | 80,613        | -            | -            |
|   | <u>80,209</u> | <u>89,977</u> | <u>8,071</u> | <u>9,364</u> |

| 32 | Debtors   | Group          |                | Charity Only   |                |
|----|---|----------------|----------------|----------------|----------------|
|    |   | 2018<br>£      | 2017<br>£      | 2018<br>£      | 2017<br>£      |
|    | Trade debtors   | 51,813         | 99,936         | 4,446          | 76,165         |
|    | Amounts owed by group undertakings and undertakings in which the company has a participating interest | -              | -              | 457,936        | 268,403        |
|    | Prepayments and accrued income  | 317,597        | 408,531        | 141,163        | 287,511        |
|    | Other debtors   | 33,525         | 60,292         | 14,630         | 22,041         |
|    |   | <u>402,935</u> | <u>568,759</u> | <u>618,175</u> | <u>654,120</u> |

The intercompany balances of £Nil (2017: £40,302) have been impaired in Charity only.

| 33 Creditors: amounts falling due within one year   | Group            |                  | Charity Only   |                  |
|---|------------------|------------------|----------------|------------------|
|   | 2018<br>£        | 2017<br>£        | 2018<br>£      | 2017<br>£        |
| Trade creditors   | 168,661          | 152,957          | 146,401        | 79,848           |
| Accruals  | 256,314          | 320,320          | 133,295        | 213,992          |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | -                | -                | -              | 40,117           |
| PAYE, NIC VAT and other taxes   | 43,050           | 107,856          | 43,050         | 107,856          |
| Other creditors   | 657,223          | 710,776          | 659,519        | 710,775          |
|   | <u>1,125,248</u> | <u>1,291,909</u> | <u>982,265</u> | <u>1,152,588</u> |

The is a debenture in place dated 11 April 2001 in Roy Castle Retail Limited over leasehold property of the company by Barclays Bank plc.

There is a cross guarantee between Roy Castle Retail Limited and Roy Castle Lung Foundation that relates to a loan of £129k.

#### 34 Charitable commitments not recognised as provisions or commitments in the accounts

The charity operates an open grants process for Research Grants, some grant applications extend beyond one year, however the charity has an annual review policy for grants that extend beyond one year, with the ability to terminate the grant should it not meet its objectives. Grant costs are accrued into the accounts up to the review date of each grant as this forms the contractual obligation.

There is therefore £209,000 (2017: £645,000) of awards that are contingent on the grants meeting their criteria that would then fall across the next two subsequent years accounts.

| At the year end the group had total outstanding commitments under non-cancellable operating leases as set out below: | 2018<br>£        | 2017<br>£        |
|--|------------------|------------------|
| Operating leases which expire:   |                  |                  |
| within one year  | 602,773          | 651,087          |
| within two to five years   | 1,433,244        | 1,104,813        |
| in over five years   | 460,000          | 78,000           |
|  | <u>2,496,017</u> | <u>1,833,900</u> |

| At the year end the charity had total outstanding commitments under non-cancellable operating leases as set out below: | 2018<br>£      | 2017<br>£      |
|--|----------------|----------------|
| Operating leases which expire:   |                |                |
| within one year  | 122,647        | 177,677        |
| within two to five years   | 96,339         | 96,339         |
|  | <u>218,986</u> | <u>274,016</u> |

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

### 35 Related party transactions

The senior management team as identified in the Trustees Annual Report received a total of £287,533 in salaries (2017: £288,500).

Balances held with subsidiary companies of Roy Castle Lung Cancer Foundation in the year were as follows:

|                               | 2018<br>£      | 2017<br>£      |
|-------------------------------|----------------|----------------|
| Included in debtors:          | 457,936        | 268,403        |
| Included in creditors:        | -              | (40,117)       |
| Bad debt write off            | -              | 38,659         |
| Interest charged on balances: | 683            | 835            |
|                               | <u>457,936</u> | <u>268,403</u> |

### 36 Related party transactions with Trustees

David Maples who is a member of the Board of Trustees is also a partner in Brabners, one of the firms of solicitors the Foundation uses. Brabners is primarily used for employment law issues an area David has no involvement in, either for Brabners or the Foundation. In the year transactions took place of £Nil (2017: £370) with Brabners. No amount was due at year end.

Transactions of £43,965 (2017: £Nil) occurred in the year with a close family member of one of the trustees, Paula Chadwick (Chief Executive of the Charity), these transactions were in respect of work on the dilapidation refurbishment of the old premises. No balance was outstanding at the year end (2017: £Nil).

### 37 Particulars of how particular funds are represented by assets and liabilities

#### Group

#### At 31 December 2018

|                         | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£ |
|-------------------------|----------------------------|--------------------------|---------------------|
| Tangible Fixed Assets   | 158,475                    | -                        | 158,475             |
| Fixed asset investments | 1,021,338                  | -                        | 1,021,338           |
| Current Assets          | 540,082                    | 495,882                  | 1,035,964           |
| Current Liabilities     | (1,125,248)                | -                        | (1,125,248)         |
|                         | <u>594,647</u>             | <u>495,882</u>           | <u>1,090,529</u>    |

#### Charity

#### At 31 December 2018

|                         | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£ |
|-------------------------|----------------------------|--------------------------|---------------------|
| Tangible Fixed Assets   | 56,654                     | -                        | 56,654              |
| Fixed asset investments | 1,150,938                  | -                        | 1,150,938           |
| Current Assets          | 458,866                    | 455,676                  | 914,542             |
| Current Liabilities     | (982,265)                  | -                        | (982,265)           |
|                         | <u>684,193</u>             | <u>455,676</u>           | <u>1,139,869</u>    |



37 Particulars of how particular funds are represented by assets and liabilities (continued)

| <b>Group</b>               | <b>Unrestricted funds</b> | <b>Restricted funds</b> | <b>Total funds</b> |
|----------------------------|---------------------------|-------------------------|--------------------|
| <b>At 31 December 2017</b> | <b>£</b>                  | <b>£</b>                | <b>£</b>           |
| Tangible Fixed Assets      | 188,991                   | -                       | 188,991            |
| Investments at valuation:- | 1,380,714                 | -                       | 1,380,714          |
| Current Assets             | 848,918                   | 411,321                 | 1,260,239          |
| Current Liabilities        | (1,291,908)               | -                       | (1,291,908)        |
| Long Term Liabilities      | -                         | -                       | -                  |
|                            | <u>1,126,715</u>          | <u>411,321</u>          | <u>1,538,036</u>   |
|                            |                           |                         |                    |
| <b>Charity</b>             | <b>Unrestricted funds</b> | <b>Restricted funds</b> | <b>Total funds</b> |
| <b>At 31 December 2017</b> | <b>£</b>                  | <b>£</b>                | <b>£</b>           |
| Tangible Fixed Assets      | 45,721                    | -                       | 45,721             |
| Investments at valuation:- |                           |                         |                    |
| Fixed asset investments    | 1,510,314                 | -                       | 1,510,314          |
| Current Assets             | 711,292                   | 368,317                 | 1,079,609          |
| Current Liabilities        | (1,152,588)               | -                       | (1,152,588)        |
| Long Term Liabilities      | -                         | -                       | -                  |
|                            | <u>1,114,739</u>          | <u>368,317</u>          | <u>1,483,056</u>   |

38 Change in total funds over the year as shown in Note 36, analysed by individual funds

| Group  | Funds brought forward 2018<br>£ | Income<br>£      | Expenditure<br>£   | Funds carried forward 2018<br>£ |
|--|---------------------------------|------------------|--------------------|---------------------------------|
| <b>Unrestricted and designated funds:-</b>     |                                 |                  |                    |                                 |
| Group Unrestricted Funds                       | 1,126,716                       | 4,015,354        | (4,547,423)        | 594,647                         |
| <b>Total unrestricted and designated funds</b> | <b>1,126,716</b>                | <b>4,015,354</b> | <b>(4,547,423)</b> | <b>594,647</b>                  |
| <b>Charity Restricted Funds</b>                |                                 |                  |                    |                                 |
| Sundry RCF Restricted Reserves                 | 78,308                          | 235,723          | (166,085)          | 147,946                         |
| GLCC   | 290,553                         | 238,620          | (220,899)          | 308,274                         |
| Boehringer Ingelheim Awareness Project         | (546)                           | -                | -                  | (546)                           |
| <b>Subsidiary Restricted Funds</b>             |                                 |                  |                    |                                 |
| Cut Films Restricted Reserves                  | 43,005                          | 25,000           | (27,797)           | 40,208                          |
| <b>Total restricted funds</b>                  | <b>411,320</b>                  | <b>499,343</b>   | <b>(414,781)</b>   | <b>495,882</b>                  |
| <b>Total Group Funds</b>                       | <b>1,538,036</b>                | <b>4,514,697</b> | <b>(4,962,204)</b> | <b>1,090,529</b>                |

Included in the expenditure above are losses on investments of £56,745 in unrestricted funds.

**Restricted Funds**

|  |  |
|--|--|
| Boehringer Ingelheim Awareness Project | To fund lung cancer awareness for individuals                            |
| Cut Films Restricted Reserves          | To stimulate discussion amongst young people about the issue of smoking. |
| Sundry RCF Restricted Reserves         | To fund lung cancer research for individuals                             |
| GLCC                                   | To fund lung cancer research for individuals                             |

**Charity only**

|  | Funds brought forward 2018<br>£ | Income<br>£      | Expenditure<br>£   | Funds carried forward 2018<br>£ |
|--|---------------------------------|------------------|--------------------|---------------------------------|
| <b>Unrestricted and designated funds:-</b>     |                                 |                  |                    |                                 |
| Unrestricted revenue funds                     | 1,114,739                       | 1,948,758        | (2,379,304)        | 684,193                         |
| <b>Total unrestricted and designated funds</b> | <b>1,114,739</b>                | <b>1,948,758</b> | <b>(2,379,304)</b> | <b>684,193</b>                  |
| <b>RCF Restricted funds:-</b>                  |                                 |                  |                    |                                 |
| Research - GLCC                                | 290,553                         | 238,620          | (220,899)          | 308,274                         |
| Research - others                              | 77,764                          | 235,723          | (166,085)          | 147,402                         |
| <b>Total restricted funds</b>                  | <b>368,317</b>                  | <b>474,343</b>   | <b>(386,984)</b>   | <b>455,676</b>                  |
| <b>Total Charity Funds</b>                     | <b>1,483,056</b>                | <b>2,423,101</b> | <b>(2,766,288)</b> | <b>1,139,869</b>                |

Included in the expenditure above are losses on investments of £56,745 in unrestricted funds.

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

### 38 Change in total funds over the year as shown in Note 36, analysed by individual funds (continued)

| Group  | Funds brought forward 2017<br>£ | Income<br>£      | Expenditure<br>£   | Funds carried forward 2017<br>£ |
|--|---------------------------------|------------------|--------------------|---------------------------------|
| <b>Unrestricted and designated funds:-</b>     |                                 |                  |                    |                                 |
| Group Unrestricted Funds                       | 1,687,197                       | 4,191,990        | (4,743,471)        | 1,126,716                       |
| <b>Total unrestricted and designated funds</b> | <b>1,678,197</b>                | <b>4,191,990</b> | <b>(4,743,471)</b> | <b>1,126,716</b>                |
| <b>Charity Restricted Funds</b>                |                                 |                  |                    |                                 |
| Sundry RCF Restricted Reserves                 | 41,880                          | 160,065          | (123,637)          | 78,308                          |
| Prospect Law                                   | 31,825                          | -                | -                  | 31,825                          |
| GLCC   | 366,668                         | 219,322          | (327,262)          | 258,728                         |
| Boehringer Ingelheim Awareness Project         | (546)                           | -                | -                  | (546)                           |
| <b>Subsidiary Restricted Funds</b>             |                                 |                  |                    |                                 |
| Cut Films Restricted Reserves                  | 36,076                          | 16,813           | (9,884)            | 43,005                          |
| <b>Total restricted funds</b>                  | <b>475,903</b>                  | <b>396,200</b>   | <b>(460,783)</b>   | <b>411,320</b>                  |
| <b>Total Group Funds</b>                       | <b>2,154,100</b>                | <b>4,588,190</b> | <b>(5,204,254)</b> | <b>1,538,036</b>                |

Included in the expenditure above are gains on investments of £83,063 in unrestricted funds.

#### Restricted Funds

|  |  |
|--|--|
| Boehringer Ingelheim Awareness Project | To fund lung cancer awareness for individuals                            |
| Cut Films Restricted Reserves          | To stimulate discussion amongst young people about the issue of smoking. |
| Sundry RCF Restricted Reserves         | To fund lung cancer research for individuals                             |
| GLCC                                   | To fund lung cancer research for individuals                             |

#### Charity only

|  | Funds brought forward 2017<br>£ | Income<br>£      | Expenditure<br>£   | Funds carried forward 2017<br>£ |
|--|---------------------------------|------------------|--------------------|---------------------------------|
| <b>Unrestricted and designated funds:-</b>     |                                 |                  |                    |                                 |
| Unrestricted revenue funds                     | 1,529,008                       | 2,222,058        | (2,636,327)        | 1,114,739                       |
| <b>Total unrestricted and designated funds</b> | <b>1,529,008</b>                | <b>2,222,058</b> | <b>(2,636,327)</b> | <b>1,114,739</b>                |
| <b>RCF Restricted funds:-</b>                  |                                 |                  |                    |                                 |
| Research - GLCC                                | 366,668                         | 219,322          | (295,437)          | 290,553                         |
| LCISS Facilitator                              | 678                             | -                | (678)              | -                               |
| Prospect Law                                   | 31,825                          | -                | (31,825)           | -                               |
| Research - others                              | 40,658                          | 160,065          | (122,959)          | 77,764                          |
| <b>Total restricted funds</b>                  | <b>439,829</b>                  | <b>379,387</b>   | <b>(450,899)</b>   | <b>368,317</b>                  |
| <b>Total Charity Funds</b>                     | <b>1,968,837</b>                | <b>2,601,445</b> | <b>(3,087,226)</b> | <b>1,483,056</b>                |

Included in the expenditure above are gains on investments of £89,173 in unrestricted funds.

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

### 39 Change in total funds over the year

| Group                                      | Income<br>2018<br>£ | Expenditure<br>2018<br>£ | Gains &<br>Losses<br>2018<br>£ | Movement<br>in funds<br>2018<br>£ |
|--|---------------------|--------------------------|--------------------------------|-----------------------------------|
| <b>Unrestricted and designated funds:-</b> |                     |                          |                                |                                   |
| Unrestricted revenue funds                 | 4,015,354           | (4,490,678)              | (56,745)                       | (532,069)                         |
| <b>Restricted funds:-</b>                  |                     |                          |                                |                                   |
| Restricted Reserves                        | 499,343             | (414,781)                | -                              | 84,562                            |
|  | <u>4,514,697</u>    | <u>(4,905,459)</u>       | <u>(56,745)</u>                | <u>(447,507)</u>                  |

### Change in total funds over the year

| Charity only                               | Income<br>2018<br>£ | Expenditure<br>2018<br>£ | Gains &<br>Losses<br>2018<br>£ | Movement<br>in funds<br>2018<br>£ |
|--|---------------------|--------------------------|--------------------------------|-----------------------------------|
| <b>Unrestricted and designated funds:-</b> |                     |                          |                                |                                   |
| Unrestricted revenue funds                 | 1,948,758           | (2,322,559)              | (56,745)                       | (430,546)                         |
| <b>Restricted funds:-</b>                  |                     |                          |                                |                                   |
| Restricted Reserves                        | 474,343             | (386,984)                | -                              | 87,359                            |
|  | <u>2,423,101</u>    | <u>(2,709,543)</u>       | <u>(56,745)</u>                | <u>(343,187)</u>                  |

| Group                                      | Gains &<br>Income<br>2017<br>£ | Movement<br>Expenditure<br>2017<br>£ | Losses<br>2017<br>£ | in funds<br>2017<br>£ |
|--|--------------------------------|--------------------------------------|---------------------|-----------------------|
| <b>Unrestricted and designated funds:-</b> |                                |                                      |                     |                       |
| Unrestricted revenue funds                 | 4,108,927                      | (4,743,471)                          | 83,063              | (551,481)             |
| <b>Restricted funds:-</b>                  |                                |                                      |                     |                       |
| Restricted Reserves                        | 396,200                        | (460,783)                            | -                   | (64,583)              |
|  | <u>4,505,127</u>               | <u>(5,204,254)</u>                   | <u>83,063</u>       | <u>(616,604)</u>      |

# Roy Castle Lung Cancer Foundation

## Notes to the Consolidated Accounts for the year ended 31 December 2018

### 40 The purposes for which the funds as detailed in note 38 are held by the charity are:-

#### **Unrestricted and designated funds:-**

Unrestricted revenue funds      These funds are held for the meeting the general objectives of the charity, and to provide reserves for future activities, and subject to charity legislation, are free from all restrictions on their use.

#### **Restricted funds:-**

Sundry RCF Restricted Reserves      These funds are held for meeting specific objectives of the charity as specified by the donor, and to provide reserves for future suitable activities subject to charity legislation and subject to the restrictions placed on them by individual donors

GLCC      These funds are held for meeting specific objectives of the charity as specified by the donor, and to provide reserves for future suitable activities subject to charity legislation and subject to the restrictions placed on them by individual donors

| 41 Financial instruments                        | 2018<br>£         | Group<br>2017<br>£ | Charity<br>2018<br>£ | 2017<br>£         |
|---|-------------------|--------------------|----------------------|-------------------|
| <b>Carrying amount of financial assets</b>      |                   |                    |                      |                   |
| Debt instruments measured at amortised cost     | 200,178           | 290,059            | 595,190              | 508,909           |
| Financial instruments measured at fair value    | 1,021,338         | 1,169,066          | 1,150,938            | 1,298,663         |
|   | <u>          </u> | <u>          </u>  | <u>          </u>    | <u>          </u> |
| <b>Carrying amount of financial liabilities</b> |                   |                    |                      |                   |
| Measured at amortised cost                      | 1,052,198         | 1,218,773          | 909,215              | 1,017,122         |
|   | <u>          </u> | <u>          </u>  | <u>          </u>    | <u>          </u> |

### 42 Post balance sheet events

On 15 January 2019, Roy Castle Clean Air Limited, Cut Films Projects Limited and Roy Castle Patient Support Limited who are subsidiaries within the Roy Castle Lung Cancer Foundation group were dissolved.

### 43 Ultimate controlling party

The Roy Castle Lung Cancer Foundation is the ultimate controlling party and is under the control of its legal members.