

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
FOR
CANCER RESEARCH WALES**

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CANCER RESEARCH WALES

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FOR THE YEAR ENDED 31 MARCH 2021**

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CANCER RESEARCH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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 (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Charity Objectives

The objects of Cancer Research Wales (CRW) are, for the benefit of the public, to relieve sickness and promote good health by advancing knowledge and understanding of cancer and its possible treatment and prevention techniques, providing and supporting facilities for high quality cancer research in Wales and in particular by:

Funding cancer research proposals submitted by scientific investigators associated with other organisations in Wales, including those linked to:

- (i) the National Health Service;
- (ii) universities and other academic and/or research institutions; and
- (iii) providers of cancer treatment.

In giving effect to the above objectives, the Board will use its best endeavours to ensure that monies raised are for the benefit of research or the furtherance of research being conducted in Wales.

Cancer Research Wales' Vision & Purpose

Our vision is 'A Wales without Cancer'. The charity's ultimate aim is to eradicate cancer, whilst this is an aspiration, it's the journey towards this vision, where Cancer Research Wales can make the biggest impact bringing advances in cancer prevention, treatment and cure closer to home.

The charity's purpose:

Cancer Research Wales exists to drive the advancement of world class research. We will educate and inspire the Welsh public, so that together we achieve early diagnosis, better treatment and prevention, to ultimately eradicate cancer.

Public benefit

The charity's trustees can confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit by the Commission. The charitable objectives outlined above, and the activities of the charity demonstrate public benefit.

Grant making policies

Grants made by the charity are allocated to research projects that have been independently assessed by external expert adjudicators. Such projects must have received a majority rating of 'forefront' or 'outstanding' and are usually supported for a minimum period of 2-5 years. These projects are undertaken throughout Welsh hospitals and universities specialising in cancer research.

Volunteers and supporters

We are funded by the people of Wales and none of our research would be possible without the kind generosity of our supporters and volunteers.

OBJECTIVES AND ACTIVITIES

The Effect of the Covid-19 Pandemic and National Lockdowns

Without doubt, 2020-2021 represented the most challenging year in the history of Cancer Research Wales. In response to the escalating Covid-19 pandemic, a national lockdown on 23 March 2020, our office, charity shops and all university research laboratories abruptly shut. This was coupled with major disruption to all cancer pathways and services in Wales, and a cessation of recruitment of new patients to existing cancer clinical trials. Income was badly affected as events were cancelled.

Use of Governmental support systems including the use of furlough for staff, working from home where possible, and the use of specific data analysis and computational modelling and deferment of projects meant that Cancer Research Wales remained as active as possible. The control of our costs, including the closure of all our projects due to the lock down, claiming of business grants, donations from our supporters and a strong legacy year meant that the Charity finished the year in a far more positive position than we had expected at the start of the year.

We worked with our funded researchers and with their universities to negotiate extensions to our projects. Several Cancer Research Wales funded researchers and clinicians moved to work directly in NHS service delivery, or on key scientific projects towards the national Covid response.

We used the year to look at how we could strengthen our governance and improve our profile to ensure that we could future proof the Charity as much as we could.

The challenges of the pandemic became a catalyst for us during this year as trustees and SMT worked to adapt and change to build back the ground we had lost due to Covid.

Challenges of Covid

It became clear to the trustees and the SMT that we needed to build in more resilience to ensure that we could future proof the charity. With more people having to work from home, no face to face fundraising it was clear that digital transformation was happening and becoming part of our daily lives.

Our lack of an independent IT system and the reliance on the Velindre IT network seriously hindered our ability to maximise digital opportunities in all areas. We had to find a way to adapt to a more flexible way of working and to interact with donors, supporters and stakeholders in new ways.

Our ability to bring in funds during this time was a challenge. CRW could not access various government and funder pots of money for support during the crisis as this was principally for smaller and service provision charities and we do not meet the criteria. Therefore we are reliant on what we can raise ourselves and we needed to interact with our supporters and donors in different ways.

We have few committed givers and 'active' supporters so a call to action was unlikely to provide us with large amounts of income to help top up the shortfall and we rely mostly on legacy income. We knew that we had to move to digital platforms and develop new ways of raising income to be best placed to build up our fundraising again.

We concentrated on managing our costs as far as was possible, some of our charity shop landlords helped by giving us a rent holiday during the lock down and we benefitted from claiming local council benefits through loss of trading. We used furlough where we could and only kept essential staff working.

We had already identified the risk to income due to the narrowness of our fundraising portfolio and this was brought more to the fore during the pandemic.

Historically, our communications and marketing was managed by an external agency but this had ceased in 2019 and, with no specialist expertise within the team our communications had been spasmodic at best and had restricted our capacity to effectively convey our vision, mission and aims. This came more to the fore during this Covid year when it became clear that few in Wales knew of the work of the charity and therefore did not support us. We also know that we need to have more influence and interaction with change makers in Wales if we are to make the changes for those affected by cancer that we aim for.

We needed to adapt in response to the pandemic and make changes in all areas to maximise our impact and to bring more benefits to cancer patients.

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ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the year ending 31 March 2021, Cancer Research Wales spent £456,287 on the grant funding of research projects across Wales (31 March 2020: £2,117,505).

Due to the pandemic the annual open grant call did not happen.

New research studies funded this year was mainly through restricted funds already allocated and included:

- **A named PhD studentship in memory of Tom Walker.** The project will look to develop much needed new therapeutic approaches for the treatment of Acute Myeloid Leukaemia based on immunotherapy and T-cell receptors. The main spend will be in years 2 and 3 of the project.
- **The continuation of the Ed Evans Brain Tumour Scholarship** saw new funding provided for the development of a clinically relevant 3-dimensional mini-brain model. This flexible experimental system provides an invaluable resource for clinicians and scientists across Wales. It will allow them to better examine how brain tumours develop and progress and test newly development therapies against this devastating disease.

Both of these new studies were funded through restricted funding.

- In November 2020, Cancer Research Wales was able to support the start of a major study that will examine the feasibility of undertaking cancer awareness campaigns in a more meaningful and lasting way. This project will seek to tackle the greatest cancer inequalities in Wales, by empowering community members and championing primary care to facilitate better access to Rapid Diagnosis Centres. Which will hopefully translate to better cancer outcomes
- Extra monetary support was provided for 4 PhD students in their final year of studies to ensure delayed laboratory work due to the national lockdown could be completed.

Other notable funded projects included:

Development of a Patient App to Provide Remote Support for Patients Undergoing Treatment for Cancer

A timely research project saw clinical oncologists and medical researchers based in North Wales develop and make use of a small scale, wearable portable digital medical device to monitor patient well-being and symptoms in cancer patients undergoing treatment. Vital signs such as pulse and oxygen saturation and several parameters of general well-being could be monitored remotely at times when access to hospitals and other healthcare was restricted. The preliminary results demonstrated an appetite amongst cancer patients for embracing this new medical technology to stay in touch with their treating oncologist, whilst reducing the need for face-to-face contact where safe to do so and reducing the need of patient travel thereby cutting transport costs and relieving pressures on overbooked clinics. This technology will be important to improving clinical practice and building resilience into cancer pathways post-pandemic, and a way to safely deliver treatment and improve the care of experience of cancer patients across Wales.

Delivery of a Primary Care Cancer Educational Intervention to Support More Accurate and Timely Referrals for Cases of Suspected Cancer - Think Cancer Feasibility Trial

Despite the challenges of the pandemic and significant changes to the everyday working practices of primary care, the WICKED research team was able to deliver the feasibility trial component of the 5-year programme grant. The package of targeted interventions - called Think Cancer - delivered in the trial is designed to (i) improve cancer knowledge of GP, receptionists and practice managers and nurses, (ii) increase referral rates for suspected cancer with greater accuracy (iii) increase the number of cancers diagnosed (iv) reduce time to diagnosis (v) implement a robust safety netting policy and process with a designated safety netting champion for each surgery.

Thirty GP practices participated in the randomised feasibility pilot trial and the intervention was well received with over 80% of practices indicating that they would welcome such an intervention as part of routine practice. The forced online delivery of the intervention improved reach and acceptability demonstrating the intervention can be scaled across Wales. A final analysis of the pilot data is due to be completed by the end of 2021, after which work will begin on the design of a Phase III randomised trial with the primary outcome that the Think Cancer intervention will be established within primary care across Wales.

Provision of Critical Research Evidence to Welsh Government and Senedd Cross-Party Groups

Policy and Public Awareness is an important area of the work at Cancer Research Wales, to ensure the best evidence gathered from research studies is used as a catalyst to drive changes in policy and practice. As major stakeholders and members of both the Cancer and Medical Research Cross Party Groups at the Senedd, Cancer Research Wales, made key contributions to the calls for evidence launched by the two groups. Many recommendations to improve and future-proof the cancer and medical research landscapes in Wales, made by Cancer Research Wales, were included in the final published reports in 2020 of the Cancer and Medical Cross-Party Groups that was sent to Welsh Government.

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On-Line Webinar - Cancer in Wales, Challenges and Opportunities

At the start of 2021, Cancer Research Wales, held an on-line event where members of the public, scientists, clinicians and other associated third sector organisations could join the discussion concerning the current challenges and opportunities of tackling cancer in Wales. Over 80 people signed up for the event that was sponsored by The Waterloo Foundation and The Millennium Trust. Several important topics were discussed on the day, which included access to cancer diagnostics and Lung Heath Checks for the early diagnosis of lung cancer.

Fundraising and Retail

Like many charities, the global COVID-19 pandemic had a significant impact on the charity's capacity to generate funds, resulting in an at least a 50% drop in funding across all income streams. To safeguard the financial interest for the charity, three members of the fundraising team were put on furlough for the period of April to September 2020.

The majority of the planned third-party and charity-led events, on which the charity relies, were cancelled or postponed. These included the postponement of our flagship overseas Kilimanjaro event which was moved to June 2022 and the cancellation of our annual Golf Day, Winter Ball and 'Christmas Wrap' events. The postponement of notable third-party events, including the London Marathon and Cardiff Half Marathon, also meant that we were not able to generate the same level of income from what have been historically reliable fundraising channels.

Likewise, due to social restrictions, our volunteer fundraising groups, and community-based supporters were restricted on how they were able meet and were limited to how they could raise funds. Despite this, the charity maximised the opportunity to use the time to reengage with donors and volunteers to listen and learn about how the effectively the charity was engaging with its valued supporters with the view of building stronger long-term relationships.

Responding to fast-changing fundraising environment the charity also sought new ways to interact with its donors and supporters. Adapting to the new digital-led environment the fundraising team diversified its events programme to include more and targeted virtual mass-participation events and campaigns. This resulted in two virtual mass-participation virtual fundraising events being created - the baking themed 'Bake a Difference' event, which took place in August 2020, followed by the abstinence style 'Stop or Start' challenge campaign in January 2021. Both campaigns allowed the charity to develop new opportunities to raise funds as well as help increase its reach to new audiences across wider geographical areas.

Against the trend of other income streams, our main corporate support came again from Poundland who generously donated £136,559 from the sale of plastic carrier bags in January. This marked the end of the charity scheme, and we would like to thank all Poundland staff and customers for their generous support in support of our cause since 2011.

Historically, a large percentage of the charity's income has come from legacies and donations. Whilst this has been relatively successful, our approach has been largely reactive and less strategic its management and development. With sector insights predicting that the legacy donation market will grow significantly over the next 30 years, and learnings from the pandemic identifying a need to develop more sustainable sources of income through new individual giving channels, in October 2020, the charity appointed a new Legacy and Individual Giving Manager. Further to this appointment we ran a Christmas Individual Cash Appeal in December which raised over £16,000, representing a 200% increase in income from the same activity the previous year.

In line with government guidelines, the charity was forced to close all four of its charity shops from 23 March to 21 July 2020. To help protect the employment of staff and the financial long-term security of the Charity, Cancer Research Wales took the decision to put all Shop staff on furlough during this period.

Following a strategic review of the retail portfolio, it was decided that it would be in the financial interests of the charity not to renew the lease on the retail warehouse or the shop property on Penline Rd in Whitchurch. Based on historical financial performance and the impact of the operational restrictions brought about by Covid-19, the charity also had to take the difficult decision to permanently close its bridal shop, Pritchard and Moore. The property was subsequently repurposed as a general charity shop which enabled the charity to generate more profitable income in support of its charitable activities.

To support the re-opening of the three remaining shops in July 2020, the charity developed a comprehensive management plan for a phased re-opening of the shop outlets. Working alongside charity retail experts, the plan was produced in line with Government advice and developed in full consultation with staff and volunteers to provide clear and consistent operational guidance, ensuring that any risk to the health and safety of customers, staff and volunteers was minimised.

In line with legal Covid-19 regulations, all shops were again required to close for business again on 20 December and did not open until April 2021. As the charity were unable to redeploy the staff to other roles within the organisation, all shop staff were again put on furlough until the shops were able to open again.

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The lessons brought about by implementing new regulations and adapting to a new retail environment over the year enabled the charity to implement new procedural changes to ensure the safe and effective management of shops, staff and volunteers Inc. additional health and safety measures and checks, volunteer management practices, and shop management reporting processes.

Plans for the Future

Innovation Grant Launch

At the end of the current financial year (2020-2021), Cancer Research Wales was able to launch an innovation grant call open to all health professionals and research academics, working within the Welsh NHS and all Universities. Subject to peer review, Cancer Research Wales is hoping to fund at least 6 innovations grants. This money is designed to stimulate new research in areas of need as we strive to provide solutions to build resilience into health systems through projects that will have quick impact, as well as provide the resources to act as catalyst to larger life-changing innovations in early cancer diagnosis and treatment.

Two New Major Grants for Earlier Diagnosis and Better Treatment of Bowel Cancer

Following the postponement of most major grant funding in 2020-21, Cancer Research Wales will be supporting two major grants next year that focus on bowel cancer, Wales' second leading cause of cancer death. In line with our Triple A approach (Activation, Accelerate and Accomplish) to funding research, the two projects represent an example of a culmination of investment of many years as we finally look to 'Accomplish' and embed this research into clinical practice.

The first grant is a continuation of the research for the RAMAN blood test for bowel cancer, with the next phase of funding looking to adopt the test for use within the Welsh NHS and explore its potential for improving bowel cancer screening in Wales.

The second grant will be for a new immunotherapy clinical trial for high-risk patients with primary bowel cancer who have undergone curative treatment. It is hoped the new intervention, which is based on the previously successful TaCTiCC trial, will prevent or significantly delay relapse in the 30% of patients who will eventually develop secondary cancers.

AMRC

Cancer Research Wales is currently seeking to become a full member of the Associated Medical Research Charities - AMRC. This organisation serves as a strong collective voice for medical research charities in the UK. Becoming a member will further help Cancer Research Wales achieve our charitable objectives, influence the regulatory, policy and research environments, and connect the charity with others to encourage collaboration and to share learning.

Governance and Operational Changes

Trustees reviewed the Vision and Mission and worked with a facilitator to help us bring them up to date to become part of the re-brand project in 2021. Our Governance work is underway and will continue into 2021/22 with recruitment of more trustees with expertise in key areas such as digital and communications and marketing. The highest strategic priorities for CRW to address the operational challenges we face are:

- Brand Development
- IT transformation

The outcomes of these two key developments will support and deliver:

- Development of an overall strategic plan to achieve our agreed corporate aims aligned with a unified Vision and Mission.
- Development of a plan to deliver strategy in; Research; Finance/Corporate Services; Income Generation.
- Stronger, trusted and supported brand including vocal brand.
- Creation of more robust and sustainable income generation streams.
- Increased capacity to generate greater income returns.
- Increase competitive advantage and market share.
- Increased capability to measure, monitor and report on strategic performance and impact.
- Increased capacity for long-term planning and growth.
- Increased horizon scanning, regular evaluation and competitor analysis.

Re-Branding

CRW is currently at a strategic crossroad, and a new brand strategy will help the organisation to adapt, grow and succeed in a new market environment caused by the pandemic. Brand Development will build on the work started in 2020 on the Vision and Mission. CRW's vision, mission and brand identity, no longer accurately represents its strategic goals and objectives, nor does it effectively engage with its key stakeholders and target audiences.

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Investment in our brand development will help us to better communicate who we are, why we are here and what we want to achieve to all our stakeholders from supporters to policy makers.

IT Digital Transformation Proposal

How we work and interact is changing. Both our work and personal lives are now being lived out online, digital transformation is happening and becoming part of our daily lives. Digital transformation has accelerated across the Charitable Sector in response to the coronavirus outbreak and highlights how crucial it is for charities to have a strong presence online, in both their websites and their use of digital engagement with supporters. Our limitations in IT and lack of control over the operating environment has added complexity to everyday work and affects all aspects of how we deliver our work. It is a key building block and will enable us to install a new accounting system, develop an interactive website, increase our interaction with all our audiences, maximise our CRM system.

Separation from the current system will also aid our individuality of brand and help us to maximise income, making clear that we are not part of the NHS or of Velindre but a strong separate charity.

Strategic planning

SMT will continue to work on the Theory of Change and strategic plans started in 2019 and put on hold during the pandemic in 2020/21.

Senedd Launch 2022

To increase awareness of Cancer Research Wales and to widen its sphere of influence amongst key decision makers in Welsh Government, with respect to the high-impact research that the Charity funds, we will be holding a Wales Assembly Senedd event to mark World Cancer Day in February 2022. The event sponsored by David Rees MS for Aberavon will include presentations from leading clinical academics in Wales and current Health Minister Eluned Morgan, relating to the current challenges of cancer in Wales whilst highlighting several achievable solutions. We will be looking at strengthening our branding to help us communicate far more clearly who we are, why we exist and our aspirations for the future and help turn our audiences into committed supporters and advocates.

Expansion of Retail Business

Our retail shops are profitable, perform well against sector averages and provide sustainable income. We are planning a phased expansion of our shop portfolio across Wales over the next 5 years, whilst also exploring a new online retail platform to allow us to expand our channels of trading and sustainable income and extend our geographical footprint.

FINANCIAL REVIEW

Financial position

During the year ended 31 March 2021, Cancer Research Wales invested £892,092 (31 March 2020: £2,544,440) in Charitable Activities, principally the grant funding of research projects. Despite the impact of Covid, the total income for the year ended 31 March remained at a consistent level at £2,215,011 (31 March 2020: £2,215,141).

Principal funding sources

The principal sources of income are legacies and donations from the public, and income from fundraising activities and our chain of charity shops. Legacies and donations are, by their nature, a volatile source of income and totalled £1,726,274 in the year ended 31 March 2021 (31 March 2020: £1,053,057), this figure includes voluntary grants such as that received under the Welsh Government job retention scheme and grants for Business Rates Relief and Retail, Hospitality and Leisure grants.

In order to mitigate some of the risk of the volatility of this income, the Charity is developing strategies to maintain legacy income and increase the levels of committed-giving.

Movement in funds

Total net income during the year to 31 March 2021 was £1,495,675 (31 March 2020: [Net expenditure] £1,347,509). The return to net income was primarily driven by the increase in legacies and strong investment performance negating the fall in other income streams and reduced investment in research. Unrestricted reserves increased by £1,504,072 to £4,959,106 (31 March 2020: reduced by £1,393,497 to £3,455,034).

Investment review

There have been no material changes in the investment management policy employed by the Charity during the year ended 31 March 2021. The investments are retained principally to ensure the ability of the charity to meet liabilities associated with the future funding of current research projects. The value of investments as at 31 March 2021 totals £4,801,865 (31 March 2020: £3,988,405).

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FINANCIAL REVIEW

Reserves policy

The free reserves of the charity comprise of the unrestricted funds excluding tangible and intangible fixed assets, which at the year-end amounted to £4,928,435 (31 March 2020: £3,416,791). In addition to ring fencing funds for projects to which we have already committed, the trustees are still targeting a minimum reserve level which would cover about 18 months of regular operating expenses (31 March 2021: £1,500,000).

The charity has significantly increased reserves during the year, one in which the impact of Covid on regular income was offset by strong legacy and investment performance. The charity continued to support our existing research commitments but deferred significant further research spend until the future is clearer.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The governing document of Cancer Research Wales is its Constitution.

Appointment and training of trustees

The policy for the recruitment and appointment of new trustees is both by way of recommendation from existing trustees, who believe an individual has the skills and experience the Board has identified will enhance the Board's current skill mix and also through advertisement.

Currently a potential trustee is interviewed by the Chair and the CEO and invited to meet other Trustees and senior members of staff to ask questions and gain an understanding of how the charity works. Formal approval of the appointment is made by the Board of Trustees. The new Trustees and Patrons are required to confirm that they accept their responsibilities in accordance with the Charity

New trustees are given an introductory pack containing:

- A copy of the latest set of audited financial accounts
- Latest Annual Report
- The Cancer Research Wales Constitution
- Copies of the most recent Quarterly Board Meeting minutes
- Charity Commission Summary Form CC3 (a) "Responsibility of Charity Trustees"
- Trustee information sheet to be signed accepting their responsibilities as detailed in the summary document CC3 (a) issued by the Charity Commission
- New trustees meet the CEO and SMT for a full induction at the Velindre Office where they also are introduced to all the staff
- Copy of the CRW scientific strategic plan.

CANCER RESEARCH WALES

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STRUCTURE, GOVERNANCE AND MANAGEMENT

On 1 October 2016, Cancer Research Wales became a Charitable Incorporated Organisation (CIO).

The Board of Trustees and Senior Management Team meet quarterly to discuss all charity matters which require the decision of the Board in accordance with the Constitution.

After a Governance review two sub-committees; HR and Fundraising, Marketing and Communications were disbanded leaving the Finance Committee and the Scientific Committee. Sub-committees are chaired by a trustee and are made up of Patrons; our name for skilled volunteers who sit on our sub-committees. They meet quarterly to make informed recommendations to the Board.

The terms of reference for the Committees are summarised below:

Finance Committee

The Finance Committee takes delegated responsibility to make informed recommendations to the Board of Trustees for assisting and overseeing all financial aspects of the charity and broad direction of Cancer Research Wales's financial affairs including:

- Monitor compliance with relevant legislation including, but not limited to, Financial Reporting, Taxation, the Charities Acts, and Health and Safety
- Reviewing, agreeing and recommending the annual plan and budget
- Financial performance and procedures
- Investments
- Agreeing the annual establishment and annual pay review
- Information Technology
- The charity's financial statements to assess the integrity of financial reporting
- The scope, results and effectiveness and independence of external and any internal audit
- Reviewing, assessment and management of risk on financial control

Scientific Committee

The Scientific Committee is made up of experts within their field and takes delegated responsibility on behalf of the Board of Trustees to assure, assist and advise the Board of Trustees of all research projects through overseeing, monitoring and reviewing of all funded projects including:

- Assisting staff in the development of the scientific strategy
- Recommending funding of research projects which fulfil the aims and objectives of Cancer Research Wales and the scientific strategy and have been rigorously peer reviewed
- Monitoring all funded research projects
- Making recommendations to the Board of Trustees with regards to research spend
- Reviewing the process for awarding and monitoring projects
- Reviewing scientific and research related risks

Recruitment of New Members to Scientific Committee

A skills gap analysis of all sub-committees within Cancer Research Wales, led to the recruitment of a research-intensive clinical oncologist. Dr Mererid Evans who unfortunately had to step down with her appointment as Director of the Wales Cancer Research Centre which she felt would be in conflict to her role as a trustee. In addition, we recruited Dr Heather Wilkes, a practicing GP in Neath-Port Talbot Health Board and who was responsible for overseeing the development of the first Rapid Diagnostic Centre in Wales and the UK. Dr Wilkes will provide much needed expertise in the area of cancer referral and knowledge within primary care. Both Dr Evans and Dr Wilkes will help the scientific committee to make better informed decisions for the funding of projects related to primary care, health systems research, and clinical oncology.

Chief Executive Authority

There is a delegation of authority agreed by the Board for the operational responsibilities of the business to be conducted by the CEO and SMT.

Corporate Governance

Cancer Research Wales carried out a governance review through an external facilitator ensure that our processes are fit for purpose and we undertook a skills audit, to help to identify the skills gaps.

The interim Chair, Simon Williams, will step down in April 2021 and Scott Pearson, who was recruited in October 2019, will take over the Chair role after consultation and a vote by the Board. We appreciate the time and leadership Simon brought to the role.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board has identified that the charity needs another clinician/researcher and a trustee with communications and marketing experience in the coming year and work began this year resulting in an approach being made to a clinician who will join the Board next year.

Risk Management During the Pandemic

The Charity has detailed organisational and departmental risk registers which are reviewed monthly by the Senior Management Team and quarterly by the sub-committees. A RAG rated system is used to rank the key organisational risks. However, this year brought us new risk we had not had to deal with before.

The year started off with great challenges as it coincided with the first national lockdown. This impacted on the charity through closure of the office and shops and also through the closure of all university laboratories and most, if not all, NHS research facilities as resources were diverted towards managing the pandemic.

The SMT and trustees at Cancer Research Wales worked to ensure that essential staff could work from home to keep the Charity functional. The Charity made use of the governmental furlough scheme to provide support for staff who could not work.

To mitigate the risk to funded projects the CEO worked alongside the Chair of the Scientific Committee and Head of Research to develop key support policies and procedures, consistent with other large UK research funding organisations. We remained in close contact with universities and all project holders and distributed questionnaires to enable the Charity to determine where risks existed for each project and provide additional resources and supported where possible. This kept all existing projects on track albeit that we had to agree timeline extensions.

The retail arm of Cancer Research Wales was able to reopen in August and a new Shops Handbook was drawn up to allow us to safely re-open. This was in line with the advice from the Charity Retail Association. The appropriate risk assessments were conducted and, following the current legislation and advice from Welsh Government, the correct safety protocols were put in place to ensure the continued safety of all our customers, staff and volunteers.

Risk management

The Charity has detailed organisational and departmental risk registers which are reviewed monthly by the Senior Management Team and quarterly by each Committee and annually by the Board of Trustees. Significant new risks are brought to the attention of the Board as necessary to ensure they are being actively managed. A RAG rated system is used to rank the key organisational risks.

Cancer Research Wales aims to ensure that all our fundraising activities are open, fair, honest and legal. We adhere to the Institute of Fundraising guidelines which offer advice on how their members should carry out all fundraising practices and are registered with the Fundraising Regulator. We have worked to ensure that data is protected in line with the Data Protection Act of 2018. Cancer Research Wales treats all supporters with respect and we do not use fundraising methods which intrude on privacy, are unreasonably persistent or put undue pressure on potential donors. No professional fundraisers carried out fundraising activities on our behalf. We never sell or share data outside the Charity, unless required to by law.

In addition to events organised by Cancer Research Wales, we are fortunate to be supported by groups and individuals who raise money on our behalf. Where possible, we ask supporters to notify us in advance of their activities, so that a staff member can support them and offer guidance. However, there are many occasions when we are not aware of such events until after they have taken place, we therefore provide a fundraising guide on the Cancer Research Wales website to signpost supporters to relevant information on health and safety, licences and risk management.

During 2021-22 there were six formal complaints, which were all satisfactorily dealt with, regarding the work of Cancer Research Wales. There were no personal data related incidents reported to the Board of Trustees in 2021-22.

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1167290

Principal address

Velindre Hospital
Cardiff
CF14 2TL

Trustees

Mr S Pearson	Chair
Mr G Moore	Treasurer and Finance Committee Chair
Mr I Sharp	
Dr C C Gaffney	Scientific Committee Chair
Mr S Williams	Chair (resigned 1 April 2021)
Ms R Whiting	Hon Legal Advisor
Ms C Nicholls	

Senior Management

Ms A Tate	Chief Executive Officer
Dr L Campbell	Head of Research and Science Communication
Mr M Bobbett	Head of Finance and Corporate Services
Mr R Davies	Head of Income Generation, Marketing and Communications

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Bankers

Unity Trust Bank Plc
BIRMINGHAM
B1 2HB

National Westminster
21 High Street
Llandaff
CARDIFF
CF14 6YG

Solicitors

Robertsons
6 Park Place
CARDIFF
CF24 1LE

Investment Advisor/Stockbroker

Ms Chris Leach & Associates Ltd
Telynfa
Main Road
Gwaelod-y-Garth
CARDIFF
CF15 9HJ

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Trustees on 6/5/21 and signed on its behalf by:



.....
S Pearson – Chair of Trustees

Opinion

We have audited the financial statements of Cancer Research Wales (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals and management bias in accounting estimates. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- review of minutes of trustee meetings;
- the appropriateness of journal entries and other adjustments;
- challenging management in relation to significant accounting estimates;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

22 December 2021

CANCER RESEARCH WALES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,726,274	-	1,726,274	1,053,057
Other trading activities	4	324,408	-	324,408	1,027,062
Investment income	5	104,967	-	104,967	114,321
Other income	6	<u>59,362</u>	<u>-</u>	<u>59,362</u>	<u>20,701</u>
Total		2,215,011	-	2,215,011	2,215,141
EXPENDITURE ON					
Raising funds	7	583,814	-	583,814	862,505
Charitable activities	8				
Research projects		<u>883,695</u>	<u>8,397</u>	<u>892,092</u>	<u>2,544,440</u>
Total		1,467,509	8,397	1,475,906	3,406,945
Net gains/(losses) on investments		<u>756,570</u>	<u>-</u>	<u>756,570</u>	<u>(155,705)</u>
NET INCOME/(EXPENDITURE)		1,504,072	(8,397)	1,495,675	(1,347,509)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,455,034</u>	<u>365,408</u>	<u>3,820,442</u>	<u>5,167,951</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>4,959,106</u></u>	<u><u>357,011</u></u>	<u><u>5,316,117</u></u>	<u><u>3,820,442</u></u>

The notes form part of these financial statements

CANCER RESEARCH WALES

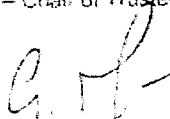
BALANCE SHEET
31 MARCH 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Intangible assets	16	4,889	-	4,889	9,189
Tangible assets	17	25,782	-	25,782	29,054
Investments	18	4,801,865	-	4,801,865	3,988,405
		4,832,536	-	4,832,536	4,026,648
CURRENT ASSETS					
Debtors	19	749,258	-	749,258	508,774
Cash at bank and in hand		2,807,760	365,408	3,173,168	3,024,957
		3,557,018	365,408	3,922,426	3,533,731
CREDITORS					
Amounts falling due within one year	20	(620,428)	(8,397)	(628,825)	(396,341)
NET CURRENT ASSETS		2,936,590	357,011	3,293,601	3,137,390
TOTAL ASSETS LESS CURRENT LIABILITIES		7,769,126	357,011	8,126,137	7,164,038
PROVISIONS FOR LIABILITIES	22	(2,810,020)	-	(2,810,020)	(3,343,596)
NET ASSETS		4,959,106	357,011	5,316,117	3,820,442
FUNDS	23				
Unrestricted funds				4,959,106	3,455,034
Restricted funds				357,011	365,408
TOTAL FUNDS				5,316,117	3,820,442

The financial statements were approved by the Board of Trustees and authorised for issue on 6/12/21
and were signed on its behalf by:



S Pearson – Chair of Trustees



G R J Moore – Trustee

The notes form part of these financial statements

CANCER RESEARCH WALES

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	104,805	238,121
Interest paid		<u>-</u>	<u>5</u>
Net cash provided by operating activities		<u>104,805</u>	<u>238,126</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(11,935)
Purchase of tangible fixed assets		(4,670)	(14,340)
Purchase of fixed asset investments		(1,064,361)	(1,263,532)
Sale of intangible fixed assets		-	(30,530)
Sale of tangible fixed assets		-	38,530
Sale of fixed asset investments		1,007,471	1,169,718
Interest received		18,064	19,363
Dividends received		<u>86,902</u>	<u>94,958</u>
Net cash (used in)/provided by investing activities		<u>43,406</u>	<u>2,232</u>
Change in cash and cash equivalents in the reporting period		148,211	240,358
Cash and cash equivalents at the beginning of the reporting period		<u>3,024,957</u>	<u>2,784,599</u>
Cash and cash equivalents at the end of the reporting period		<u>3,173,168</u>	<u>3,024,957</u>

The notes form part of these financial statements

CANCER RESEARCH WALES

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	1,495,675	(1,347,509)
Adjustments for:		
Depreciation charges	12,242	15,044
(Gain)/losses on investments	(786,038)	202,311
Loss on disposal of fixed assets	-	30,546
Interest received	(18,064)	(19,363)
Interest paid	-	(5)
Dividends received	(86,902)	(94,958)
Discounting of provisions	29,468	(18,720)
Dilapidations provision	-	150,996
Decrease in stocks	-	1,120
(Increase)/decrease in debtors	(240,484)	487,321
(Decrease)/increase in creditors	(301,092)	831,338
Net cash provided by operations	<u>104,805</u>	<u>238,121</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank and in hand	<u>3,024,957</u>	<u>148,211</u>	<u>3,173,168</u>
	<u>3,024,957</u>	<u>148,211</u>	<u>3,173,168</u>
Total	<u>3,024,957</u>	<u>148,211</u>	<u>3,173,168</u>

The notes form part of these financial statements

1. STATUTORY INFORMATION

Cancer Research Wales is a registered charity, registered in England and Wales under charity number 1167290. The governing document of Cancer Research Wales is its Constitution and it is a Charitable Incorporated Organisation (CIO). The principal address is Velindre Hospital, Cardiff, CF14 2TL. The nature of the charity's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charity's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The charity has prepared the financial statements 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 the Republic of Ireland (FRS 102) (effective 1 January 2015) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn. This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

There have been no material departures from the standard.

Going concern

No material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern exist.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from other trading activities is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the delivery of the service or event to which it relates.

Investment income is recognised on a receivable basis.

It is not the policy of the charity to show income net of expenditure.

Expenditure and basis of recognition of liabilities

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

2. ACCOUNTING POLICIES - continued

Expenditure and basis of recognition of liabilities

Expenditure on raising funds includes fundraising, advertising and event costs as well as staff costs for the fundraising team. Other trading activities expenditure, included within expenditure on raising funds, relates to staff, premises, and other costs incurred in running the charity shops.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity as well as a proportion of salaries based on an approximation of time spent in this area.

Expenditure includes any VAT which cannot be fully recovered and is reported as irrecoverable VAT within support costs.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Certain expenditure is directly attributable to specific activities and has been included in the costs relating to that activity. Where costs cannot be directly attributed to a specific activity, they have been allocated on a basis consistent with the use of the resource.

Taxation

The charity is exempt from tax on its charitable activities.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of the ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the statement of financial activities over the lease period.

Tangible fixed assets

All fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

Depreciation is calculated so as to write off the cost of an asset, less its estimate residual value over the useful economic life of the asset as follows:

Leasehold property improvements - Up to the break clause period of the lease

Fixtures & equipment - 20% reducing balance/33% straight line

Motor vehicles - 25% reducing balance

Intangible assets

All intangible assets are initially recorded at cost.

Amortisation is calculated so as to write off the cost of an asset, less its estimate residual value over the useful economic life of the asset as follows:

Software and website development costs - 33% straight line

Investments

Investments are included at market value at the balance sheet date. Realised and unrealised gains or losses on investments are shown separately on the face of the statement of financial activities.

Investment income is recognised on a receivable basis.

2. ACCOUNTING POLICIES - continued

Stocks

In common with most charity shops, most goods in stock have not been purchased. The trustees do not consider it practical to place a value on this stock but have valued goods purchased for resale at the lower of cost and net realisable value.

The trustees deem it impractical to measure the fair value of goods donated for resale and the cost of doing so to outweigh the benefit to users of the financial statements. Donated goods are therefore recognised when they are sold.

Financial Instruments

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.

Trade and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the charity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the provision.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. The movement on the provision as a result of this discounting is recognised as other income.

Provisions are discounted to present value based on expected future cash flows, with the effective rate being the charity's average return on investments. This represents a risk given the uncertainty of the timing of cash flows and the estimation involved in determining the effective rate. Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of the likely cash outflow. The financial statements include a provision for project grant commitments payable. The amount and timing of project payments is uncertain as it depends upon progress and expenditure, and so there is a risk that the provision will not match the grant funding that will ultimately prove to be payable.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity contributes to two separate pension schemes. The NHS Pension Scheme, a defined benefit multi-employer scheme for employees. The trustees are unable to confirm the charity's share of the underlying assets and liabilities of the scheme and therefore the scheme is accounted for as a defined contribution scheme. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

The charity also operates a defined contribution pension scheme with Royal London. Contributions payable are charged to the statement of financial activities in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**2. ACCOUNTING POLICIES - continued****Significant accounting judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provisions

Provisions are discounted to present value based on expected future cash flows, with the effective rate being the charity's average return on investments. This represents a risk given the uncertainty of the timing of cash flows and the estimation involved in determining the effective rate. Provisions for dilapidations are recognised on a lease by lease basis and are based on the best estimate of the likely cash outflow. The financial statements include a provision for project grant commitments payable. The amount and timing of project payments is uncertain as it depends upon progress and expenditure, and so there is a risk that the provision will not match the grant funding that will ultimately prove to be payable.

3. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	222,849	320,444
Trusts	13,600	18,400
Legacies	1,288,677	711,213
Grants	140,000	-
Donated services and facilities	2,969	3,000
Welsh Government job retention scheme	58,179	-
	<u>1,726,274</u>	<u>1,053,057</u>

Donated services and facilities comprise rent reductions which have been treated as donations in kind totalling £2,969. In the previous year advertising services were provided free of charge by Newport Transport to advertise the 'Empty Chair' campaign in December 2019 and January 2020 totalling £3,000.

Grants received, included in the above, are as follows:

	2021 £	2020 £
The County Council of the City and County of Cardiff	95,000	-
Rhondda Cynon Taf County Borough Council	45,000	-
	<u>140,000</u>	<u>-</u>

4. OTHER TRADING ACTIVITIES

	2021 £	2020 £
Fundraising	242,238	530,476
Retail income	82,170	496,586
	<u>324,408</u>	<u>1,027,062</u>

5. INVESTMENT INCOME

	2021 £	2020 £
Income from shares in listed companies	86,903	94,958
Interest receivable and similar income	18,064	19,363
	<u>104,967</u>	<u>114,321</u>

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

6. OTHER INCOME

	2021	2020
	£	£
Discounting of provisions	(29,468)	18,720
Insurance claim	85,830	-
Miscellaneous income	3,000	1,981
	<u>59,362</u>	<u>20,701</u>

7. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Fundraising staff costs	211,940	192,040
Gift aid and legacy expenses	3,513	6,710
Events and general fundraising expenditure	11,002	68,819
Advertising and publicity	928	9,836
Other fundraising expenses	6,180	24,638
Depreciation	412	476
	<u>233,975</u>	<u>302,519</u>

Other trading activities

	2021	2020
	£	£
Retail staff costs	151,434	169,299
Retail purchases	920	7,038
Retail and warehouse premises costs	131,348	143,109
Other retail costs	24,301	44,849
Merchandise purchases including Christmas cards	3,985	4,814
Dilapidations	-	150,996
Depreciation	7,255	9,718
Loss on sale of assets	-	16
	<u>319,243</u>	<u>529,839</u>

The above depreciation is in respect of motor vehicles, office equipment and leasehold property improvements.

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

7. RAISING FUNDS - continued

Investment management costs

	2021 £	2020 £
Investment management costs	<u>30,596</u>	<u>30,147</u>
Aggregate amounts	<u>583,814</u>	<u>862,505</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Grant funding of activities (see note 10) £	Support costs (see note 11) £	Totals £
Research projects	<u>126,302</u>	<u>456,287</u>	<u>309,503</u>	<u>892,092</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021 £	2020 £
Staff costs	96,568	86,886
Direct cancer research expenditure	20,740	(3,811)
Science communication costs	8,719	320
Depreciation	<u>275</u>	<u>317</u>
	<u>126,302</u>	<u>83,712</u>

10. GRANTS PAYABLE

	2021 £	2020 £
Research projects	<u>456,287</u>	<u>2,117,505</u>
The total grants paid to institutions during the year was as follows:		
	2021 £	2020 £
Velindre NHS Trust	147,731	79,341
Cardiff University	266,132	1,571,045
Bangor University	47,000	481,322
Other adjustments on project closures	<u>(4,576)</u>	<u>(14,203)</u>
	<u>456,287</u>	<u>2,117,505</u>

All grants payable are to provide funding and to support facilities for cancer research within Wales.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

11. SUPPORT COSTS

	Staff costs £	Depreciation £	Other £
Research projects	<u>243,109</u>	<u>4,300</u>	<u>56,749</u>
	Human resources £	Governance costs £	Totals £
Research projects	<u>435</u>	<u>4,910</u>	<u>309,503</u>

Included within governance costs is £4,875 (2020 - £5,025) in relation to auditors' remuneration.

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 or for the year ended 31 March 2020.

Trustees' expenses

There were trustee's expenses of £Nil (2020 - £368) paid to trustees (2020: one trustee) for the year ended 31 March 2021 for reimbursement of travel expenses.

13. STAFF COSTS

	2021 £	2020 £
Wages and salaries	575,617	553,227
Redundancy costs	23,855	-
Social security costs	52,819	46,787
Pension	<u>50,760</u>	<u>46,141</u>
	<u>703,051</u>	<u>646,155</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Fundraising	6	6
Retail	7	7
Administration/ Governance	<u>6</u>	<u>7</u>
	<u>19</u>	<u>20</u>

The number of employees whose emoluments amounted to a rate of over £60,000 during the year were as follows:

	2021 No.	2020 No.
£60,001 - £70,000	1	-
Pension contributions	9,100	-

The total key management personnel remuneration during the year was £258,896 (2020 - £215,549).

During the year a number of staff were employees of Velindre NHS Trust on permanent secondment to Cancer Research Wales, who cover all costs relating to their employment. At 31 March 2021, 3 employees remained as employees of Velindre NHS Trust.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

13. STAFF COSTS - continued

At the time of signing the financial statements there are no longer any employees of Velindre NHS Trust on permanent secondment and whilst previously in the unlikely event of Cancer Research Wales ceasing to exist or limiting the scope of activities and being forced to make redundancy payments, those amounts relating to the staff on permanent secondment from Velindre NHS Trust would have been met in full by Cancer Research Wales, this is no longer the case.

This potential liability was taken into account when considering the availability of funds for future research projects at the year end but will no longer be a factor going forward.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,053,057	-	1,053,057
Other trading activities	981,074	45,988	1,027,062
Investment income	114,321	-	114,321
Other income	<u>20,701</u>	<u>-</u>	<u>20,701</u>
Total	2,169,153	45,988	2,215,141
 EXPENDITURE ON			
Raising funds	862,505	-	862,505
Charitable activities			
Research projects	<u>2,544,440</u>	<u>-</u>	<u>2,544,440</u>
Total	3,406,945	-	3,406,945
Net gains/(losses) on investments	<u>(155,705)</u>	<u>-</u>	<u>(155,705)</u>
NET INCOME/(EXPENDITURE)	(1,393,497)	45,988	(1,347,509)
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>4,848,531</u>	<u>319,420</u>	<u>5,167,951</u>
TOTAL FUNDS CARRIED FORWARD	<u>3,455,034</u>	<u>365,408</u>	<u>3,820,442</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

15. FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,898,333	3,502,762
Financial assets measured at fair value	<u>4,689,108</u>	<u>3,988,405</u>
	2021 £	2020 £
Financial liabilities		
Financial liabilities measured at amortised cost	475,288	396,341
Financial liabilities measured at fair value	<u>2,810,020</u>	<u>3,343,596</u>

Financial assets measured at amortised cost comprise cash at bank, trade debtors, legacies, other debtors and accrued income. Financial assets measured at fair value comprise fixed asset investments.

Financial liabilities measured at amortised cost comprise project funding payments due, other creditors and accruals. Financial liabilities measured at fair value comprise provisions arising from a contractual liability.

16. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 April 2020 and 31 March 2021	<u>14,922</u>
AMORTISATION	
At 1 April 2020	5,733
Charge for year	<u>4,300</u>
At 31 March 2021	<u>10,033</u>
NET BOOK VALUE	
At 31 March 2021	<u>4,889</u>
At 31 March 2020	<u>9,189</u>

17. TANGIBLE FIXED ASSETS

	Leasehold property improvements £	Fixtures & Equipment £	Motor vehicles £	Totals £
COST				
At 1 April 2020	103,101	37,897	20,216	161,214
Additions	<u>4,670</u>	<u>-</u>	<u>-</u>	<u>4,670</u>
At 31 March 2021	<u>107,771</u>	<u>37,897</u>	<u>20,216</u>	<u>165,884</u>
DEPRECIATION				
At 1 April 2020	96,971	18,342	16,847	132,160
Charge for year	<u>3,027</u>	<u>3,611</u>	<u>1,304</u>	<u>7,942</u>
At 31 March 2021	<u>99,998</u>	<u>21,953</u>	<u>18,151</u>	<u>140,102</u>
NET BOOK VALUE				
At 31 March 2021	<u>7,773</u>	<u>15,944</u>	<u>2,065</u>	<u>25,782</u>
At 31 March 2020	<u>6,130</u>	<u>19,555</u>	<u>3,369</u>	<u>29,054</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

18. FIXED ASSET INVESTMENTS

	Investments £
MARKET VALUE	
At 1 April 2020	3,988,405
Additions	1,064,361
Disposals	(1,007,471)
Revaluations	<u>756,570</u>
At 31 March 2021	<u>4,801,865</u>
NET BOOK VALUE	
At 31 March 2021	<u>4,801,865</u>
At 31 March 2020	<u>3,988,405</u>

	2021 £	2020 £
Historical cost of investments	<u>3,586,443</u>	<u>3,588,929</u>

Analysis of investments between funds:

	2021 £	2020 £
Listed investments	4,780,526	3,988,405
UK cash held as part of portfolio	<u>21,339</u>	<u>-</u>
	<u>4,801,865</u>	<u>3,988,405</u>

Cost or valuation at 31 March 2021 is represented by:

	Investments £
Valuation in 2020	458,852
Valuation in 2021	756,570
Cost	<u>3,586,443</u>
	<u>4,801,865</u>

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	71,540	-
Legacies due	569,725	477,805
VAT	-	5,793
Prepayments and accrued income	<u>107,993</u>	<u>25,176</u>
	<u>749,258</u>	<u>508,774</u>

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
VAT payable	5,918	-
Social security and other taxes	13,223	-
Project funding payments due	279,081	351,947
Other creditors	150,346	32,486
Accruals and deferred income	<u>180,257</u>	<u>11,908</u>
	<u>628,825</u>	<u>396,341</u>

Included within Accruals and deferred income above, is deferred income of £134,396. This relates to income received in advance for campaigns/events taking place in the next financial year.

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	59,000	62,115
Between one and five years	<u>26,625</u>	<u>84,625</u>
	<u>85,625</u>	<u>146,740</u>

Total operating lease payments charged to the Statement of Financial Activities in the year amounted to £90,756 (2020 - £96,457).

22. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Project grant commitments	2,659,024	3,192,600
Dilapidations provision	<u>150,996</u>	<u>150,996</u>
	<u>2,810,020</u>	<u>3,343,596</u>

	Project grant commitments £
Balance at 1 April 2020	3,192,600
New project grant commitments	460,866
Grants payable in the year	(1,019,332)
Grant underspend written back	(4,578)
Discounting of provisions	<u>29,468</u>
Balance at 31 March 2021	<u>2,659,024</u>

Project grants generally run over a standard term of up to 3 years. Given the nature of projects, the amount and timing of project payments is uncertain as it depends upon progress and expenditure.

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

23. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	At 31/3/21 £
Unrestricted funds			
General fund	3,455,034	1,504,072	4,959,106
Restricted funds			
Brain Tumour Scholarship	150,000	-	150,000
Bowel Cancer Research Fund	61,920	-	61,920
Tom Walker Fund - Acute Myeloid Leukaemia	145,988	(8,397)	137,591
Millennium Stadium Charitable Trust	7,500	-	7,500
	<u>365,408</u>	<u>(8,397)</u>	<u>357,011</u>
TOTAL FUNDS	<u>3,820,442</u>	<u>1,495,675</u>	<u>5,316,117</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,215,011	(1,467,509)	756,570	1,504,072
Restricted funds				
Tom Walker Fund - Acute Myeloid Leukaemia	-	(8,397)	-	(8,397)
	<u>2,215,011</u>	<u>(1,475,906)</u>	<u>756,570</u>	<u>1,495,675</u>
TOTAL FUNDS	<u>2,215,011</u>	<u>(1,475,906)</u>	<u>756,570</u>	<u>1,495,675</u>

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	At 31/3/20 £
Unrestricted funds			
General fund	4,848,531	(1,393,497)	3,455,034
Restricted funds			
Brain Tumour Scholarship	150,000	-	150,000
Bowel Cancer Research Fund	61,920	-	61,920
Tom Walker Fund - Acute Myeloid Leukaemia	100,000	45,988	145,988
Millennium Stadium Charitable Trust	7,500	-	7,500
	<u>319,420</u>	<u>45,988</u>	<u>365,408</u>
TOTAL FUNDS	<u>5,167,951</u>	<u>(1,347,509)</u>	<u>3,820,442</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**23. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,169,153	(3,406,945)	(155,705)	(1,393,497)
Restricted funds				
Tom Walker Fund - Acute Myeloid Leukaemia	45,988	-	-	45,988
TOTAL FUNDS	<u>2,215,141</u>	<u>(3,406,945)</u>	<u>(155,705)</u>	<u>(1,347,509)</u>

The Millennium Stadium Charitable Trust

Trust income was received from The Millennium Stadium Charitable Trust in the prior year to purchase equipment for science communication purposes.

Brain Tumour Scholarship

A legacy was received in the 2018 financial year to fund a Brain Tumour Scholarship award.

Bowel Cancer Research Fund

A donation was received from Poundland in the 2018 financial year for the purpose of funding a bowel cancer research project.

Tom Walker Fund - Acute Myeloid Leukaemia

Fundraising income was received during the year to fund research into acute myeloid leukaemia in memory of Tom Walker.

24. EMPLOYEE BENEFIT OBLIGATIONS

As outlined in Note 13, a number of staff were employees of Velindre NHS Trust during the year, on permanent secondment to Cancer Research Wales. The charity contributes to a defined benefit multi-employer pension scheme for these employees. The assets of the scheme are held separately from those of the charity in independently administered funds. The trustees are unable to confirm the charity's share of the underlying assets and liabilities of the scheme and therefore the scheme is accounted for as a defined contribution scheme.

The charity operates a defined contribution scheme for employees of Cancer Research Wales. The assets of the scheme are held separately from those of the charity in independently administered funds.

The pension cost charge represents contributions paid by the charity to the funds above and amounted to £50,760 (2020 - £46,141). Contributions outstanding at the year end amounted to £6,490 (2020 - £5,941).

25. RELATED PARTY DISCLOSURES

Donations of £275 were received during the 2021 financial year from one trustee (2020 - £1,020).

27. CONTINGENT ASSET

At 31 March 2021 the charity had received notification of entitlement to a share of a number of legacy estates. The monetary value of the legacies cannot be measured reliably and therefore no income has been recognised in these financial statements. The legacies will be recognised as income when the criteria for income recognition are met.