

REGISTERED CHARITY NUMBER: 1167290

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
CANCER RESEARCH WALES

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

| | Page |
|------------------------------------|----------|
| Report of the Trustees | 1 to 9 |
| Report of the Independent Auditors | 10 to 12 |
| Statement of Financial Activities | 13 |
| Balance Sheet | 14 |
| Cash Flow Statement | 15 |
| Notes to the Cash Flow Statement | 16 |
| Notes to the Financial Statements | 17 to 30 |

CANCER RESEARCH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. 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.

Ymchwil Canser Cymru - Cancer Research Wales Vision and Mission

Our Vision is: A Wales united against cancer through world-class research.

Our Mission is: We are making sure that the people of Wales do not have to accept cancer as a life-threatening disease. In partnership with scientists, health care professionals and the people of Wales we are making scientific discoveries that are transforming lives.

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.

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.

CANCER RESEARCH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Research Funding and Impact

During the year ending 31 March 2023, Cancer Research Wales spent £2,186,327 on the grant funding of research projects across Wales (31 March 2022: £1,020,907).

New Research Funding for 2022-2023 exceeds £2.2 million

In July, Cancer Research Wales launched a new open grant call, the first of its type since before the pandemic. After an extensive expression of interest pre-assessment for strategic fit and prioritisation, followed by external peer review, Cancer Research Wales was pleased to announce the funding of 11 new research projects. This brought the total research spend for new projects to over £2.2 million for 2022-23.

North Wales

Bangor University received over £1.1 million for several programmes of work that will include two novel studies looking at how cancer cells repair DNA after exposure to conventional treatments such as radiotherapy and chemotherapy. Other projects funded in North Wales include the development of a cancer-biomarker clinical platform that can aid the diagnosis and treatment of lung and bowel cancers, the two leading cause of cancer deaths in Wales.

South-West Wales

Swansea University received £348,000 for three new research initiatives. The first a cancer drug discovery and development programme is set to design, develop, and test new agents for the treatment-resistant acute myeloid leukaemia, a fast-growing form of blood cancer can affect the bone marrow and many other organs and is the leading cause of death from leukaemia in the UK.

Elsewhere, scientists at Swansea will receive further funding to develop a blood-based test that can pick up subtle genetic changes to the DNA of immune cells in the blood for the early detection of oesophageal cancer and for the development of more accurate blood tests that is hoped will aid or replace PSA testing for the better discrimination of high-grade and low-grade indolent prostate cancers.

South-East Wales

Cancer Research Wales is keen to support the recruitment and retention of high-calibre scientists in Wales. In line with this, Cardiff University will receive £638,000 for a series of PhD studentships and Early Career Post-Doctoral Fellowships. Two strategically linked research programmes will see new treatment approaches developed for brain tumours, a cancer type for which survival rates have hardly increased in over 40 years, with less than 15% living longer than 5 years.

The new projects will use viruses as trojan horses to deliver an armament of anti-cancer agents into the heart of brain tumour cells for their elimination, whilst avoiding damage to surrounding normal brain cells such as neurons. Other funded projects include the use of genetic tests that can accurately discern which bowel polyps are more likely to turn cancerous for closer patient surveillance and the development of new drugs for the advanced prostate cancer.

Think Cancer Phase III Primary Care Clinical Trials

Cancer Research Wales finished 2022-2023 on a high, by funding a £1.6 million phase III primary care trial in collaboration with North-West Cancer Research. Up to 90% of cancer patients will first visit their GP with cancer symptoms. As a result, primary care represents a critical point in the health care system for early cancer diagnosis. This new study will introduce several training modules across primary care. GPs and practice nurses receive further training on guidelines for suspected cancer in primary care and gain knowledge of emerging hot topics in cancer, amongst others. Special workshops will also be available for all non-clinical staff such as admin, receptionists and practice managers, who will receive training awareness for red-flag symptoms of cancer as shared by patients, and how to raise concerns with clinical staff with greater confidence.

Importantly the trial will see the establishment of enhanced safety netting process in primary care with and establishment of a practice safety champion who will be responsible for following patients who presented with vague but concerning symptoms and tracking down outstanding and overdue diagnostic tests such as scan and biopsy results.

It is hoped this new trial will increase the number and accuracy of referrals for suspected cancer whilst reducing the time taken. All of which should translate into an earlier diagnosis of cancer.

Sponsorship of Key Clinical Cancer Workshops in Wales

Cancer Research Wales sponsored the three major Wales Network Work events through 2022-2023. These included a stakeholder meeting for Head and Neck Cancer, a Bowel Cancer Summit and Workshop for the All-Wales rollout of the Rapid Diagnostic Events. The three events brought together over 300 clinicians and scientists and provided a platform for sharing best practice, establishing new collaborations, and hearing about the latest innovations across these specialised disciplines.

CANCER RESEARCH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

Changing Policy and Practice Through Research Evidence

Heath Systems and Cancer Outcomes research is a key strategic aim of Cancer Research Wales that uses high-level evidence gathered from our funded research studies to influence key stakeholders and decision makers to drive beneficial changes in policy and practice. Last year the Charity presented evidence to both the Westminster Cancer Policy Forum for Wales and the Westminster Cancer Policy Forum for Devolved Nations. Evidence presented included the use of new highly accurate blood tests for bowel cancer and how these have the potential to transform the diagnostic pathway for bowel cancer and the introduction of key interventions in primary care that will enhance GP training with respect to cancer awareness and suspicion and the establishment of safety netting process to ensure that all those who present with concerning symptoms are given adequate follow-up.

In September, Cancer Research Wales held an event at the Senedd, the headquarters of Welsh Government, where the Charity set out its strategic direction for the next 5-years with planned programmes of work that meet the increased challenges of cancer in Wales post-pandemic. The event was attended by over 60 people, including members of the Senedd, the public and Charity supporters who listened to talks by chief scientists and the Health Minister Eluned Morgan.

Cancer Research Wales is one of the founding members of the Wales Cancer Alliance and currently sits on the Senedd groups for Cancer and Medical Research where the Charity has been very active. This year we submitted a report containing key recommendations to address the cancer inequalities in Wales. These inequalities are varied in nature and are influenced by geographical and socio-economic factors, amongst others.

Developing the Best Model of a Rapid Diagnostic Cancer Centre in Rural Mid-Wales

Six of the seven Health Boards in Wales have either set up or in the process of establishing Rapid Diagnostic Centres. These provide rapid access to a range of diagnostic tests in a one-stop clinical setting for patients with vague, non-specific but concerning symptoms that could be suggestive of cancer. However, the set-up of a Rapid Diagnostic Centre in Powys has proven more challenging due to its rural nature and lack of a major secondary care general hospital, and more limited access to the greater dispersed healthcare settings.

To address this concerning cancer inequality, Cancer Research Wales, funded a pivotal study that will work with primary care services, other healthcare providers and patients to assess the availability of resources (estate, equipment and imaging workforce capacity) needed to introduce a Rapid Diagnosis Centre/ Clinic (RDC) for a rural population in Wales. Comparisons will be undertaken to establish the performance of a rapid diagnostic centre in a rural area versus more urban populations.

Public Science Cafes and Research Communication

Without the people of Wales, our volunteers, and supporters, who generously give up their time and money, the work we do would not be possible. Sharing our research with the people who make it happen is important to Cancer Research Wales. This year we held three public engagement events in Cardiff and Swansea which were attended by over 100 people who got to learn about the ground-breaking research taking place on their doorstep. People got a chance to listen to local scientists as well participate in a number of engaging interactive displays, including the experience of walking through a large inflatable bowel, where they were informed of all the common conditions that can affect this major organ, and how all share common symptoms with bowel cancer.

National Award for Cancer Research Wales funded Cancer Test

This year, the Cansense team who have developed a ground-breaking blood test for the early diagnosis of bowel cancer, one of the flag-ship projects funded by Cancer Research Wales, received the prestigious St David Awards in the Innovation, Science and Technology category. The St David Awards are the top national awards for Wales and are nominated by the people of Wales, with the winners selected by the First Minister. The award was given in recognition of the outstanding achievement of the scientists and clinicians from Swansea in succeeding to bring a transformative test from concept to use in patients in under 7 years.

Research Strategy

This year the Cancer Research Wales scientific committee began a large body of work to review and develop a new 5-year research strategy that meets the needs of the people of Wales.

An assessment of the landscape of cancer research and cancer treatment across Wales and the UK was conducted, as the pandemic cruelly exposed the lack of flexibility and resilience in cancer screening and treatment pathways.

The successes of the last 5-year strategy - of which there were many - were measured, as well as attention given to the elements that didn't appear as effective as others or were no longer considered relevant or of priority at this stage.

These factors, as well as the introduction of important new exciting cancer sub-topics to be considered for funding, were all synthesised into a new strategy consisting of several new grant funding streams under four new pillars of research.

CANCER RESEARCH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The strategy will be sent out for external consultation to be undertaken by some of the leading cancer clinicians and top cancer scientists in Wales and the UK.

Membership of the Association of Medical Research Charities and National Cancer Research Institute

As partners, we have continued to work with both the AMRC and NCRI throughout the year. This has helped us play an active part in harnessing support to provide a stronger medical and cancer research base, especially here in Wales. Also, these memberships serve to connect Cancer Research Wales to the wider global research community.

Fundraising Activities

After delays due to COVID, our Kilimanjaro trip took place in June 2022. This raised over £150,000 for the Charity.

During the year, nearly 200 supporters participated in events ranging from Running, Sky Dives, Treks and Walks and Cycling.

In addition, we had schools, sports clubs, companies and other individuals raising money for the Charity hosting events such as golf days, bake sales, in-celebration and too many more to mention. Likewise, our volunteer fundraising groups, Brecon and Sennybridge and Crickhowell were organising events in their local communities.

It is great to see our supporters continue to raise money for us to support our Research activities and in doing so contributed to our Fundraising income of £475,820.

Retail

Our Retail arm has continued to develop and grow.

During the year we opened two new stores in Neath and Merthyr and started planning for more new stores to open during 2023/24. We ended the financial year with a total of seven shops.

We undertook retrofit works to our three long standing shops at Whitchurch, Rhiwbina and Talbot Green to ensure that we were offering the same best in town experience consistently to our customers.

We continued to develop our performance measures, providing our Shop teams with the information and tools they needed to ensure the operational, financial and administration delivered an efficient retail operation. As a consequence of this we have seen an increase in financial performance.

Our People

We are supported in the delivery of our activities by our staff, volunteers and partners. We have 100 active volunteers who support us in our Retail shops.

The dedication, hard work and generous donation of our volunteers time is invaluable to us as a Charity.

We started to develop our Welsh Language Policy. This policy outlines Cancer Research Wales's approach to the Welsh language. It sets out clear commitments relating to the way we communicate and engage with the public as well as puts provisions in place to support staff to deliver the policy. It applies to all Cancer Research Wales staff and activities.

Head Office move

In December 2022, we moved from the offices at Velindre Hospital, where we had been based for many years. Our new offices provide a modern open plan workspace for our staff and Trustees. In addition, we have the facilities to welcome visitors and hold our own events

Looking Ahead Toward 2023/24 Research

Pritchard and Moore Radiotherapy Scholarship

Over the next year we will aim to launch new grant calls including a Pritchard and Moore Radiotherapy Scholarship to honour the legacies of the Dr John Pritchard OBE, and the late Professor John Moore, former long-time president of Cancer Research Wales, both of whom dedicated so much of their lives to the Charity. The scholarship will look to fund a body of work related to radiotherapy, medical imaging, medical physics and radiobiology research, all areas of keen interest to both Dr Pritchard and Professor Moore while working at the Cancer Research Wales laboratories at Velindre Cancer Centre.

CANCER RESEARCH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

Innovation Grant Call

Elsewhere, we will also be looking to fund a series of Innovation grants. These grants will allow researchers to test new ideas and theories as they relate to cancer research. The small grants are designed to generate interesting data and results that serve as a platform for larger grant applications for more significant and long-term projects. This grant call will build on the success of our last innovation grant call which saw the testing of gene panels for lung cancer established as part of the diagnostic pathway for lung cancer in Wales.

Launch of new Research Strategy

We will launch a new 5-year research strategy to ensure the areas of research we fund through our various grant remain relevant, timely and meet the needs of the people of Wales and the clinical and university-based scientists who undertake the research to create the cancer diagnostics and treatments of tomorrow.

As part of this, we will introduce four new pillars of research, Discovery and Translational Research; Screening, Prevention and Early Diagnosis; Better Treatments; Health Systems and Cancer Outcomes Research, as well as new funding streams to help with the recruitment and retention of high-quality clinical and academic cancer researchers in Wales.

Our new strategy will align with the recent All-Wales Cancer Research Strategy and where appropriate we will seek to collaborate as we work together to improve the whole cancer research landscape in Wales and increase research investment whilst avoiding duplication of resource.

Fundraising Activities

We will be developing an enhanced fundraising strategy with increased activities required to meet the ambitions of the Research Strategy. This will include growing and extending our fundraising portfolio and a review of our event programme.

Through our retail shops that provide us with a presence within communities, we will develop relationships with local communities highlighting the work that we do and promoting opportunities to become part of the journey to reduce the impact of cancer and improve unacceptable survival rates.

Retail

During this year we plan to continue our shop expansion plan, opening three new shops in Blackwood, Penarth and Killay. This will bring the total number of shops to ten.

We will also start the planning for five new shops to open in the early part of 2024/25.

The Best in Town Agenda continues to be a priority ensuring the highest physical and operational standards for our shops and delivering a positive shopping experience for our customers.

Through our retail shops we will continue to develop relationships with local communities highlighting the work that we do and promoting opportunities to become part of the journey to reduce the impact of cancer and improve unacceptable survival rates.

Our People

In April, we implemented a new HR system which provides us with functionality to enable us to develop our Appraisals and learning and development for staff and volunteers.

Equality, diversity and inclusion is a priority that we will be progressing with during the year, ensuring that we maintain a positive working environment that is equal and fair to all with our culture of respect and dignity.

CANCER RESEARCH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

FINANCIAL REVIEW

Financial position

During the year ended 31 March 2023, Cancer Research Wales invested £2,979,385 (31 March 2022: £1,921,567) in Charitable Activities, principally the grant funding of research projects. The total income for the year ended 31 March was £3,766,815 which was an increase from the previous year (31 March 2022: £2,239,100), due to Legacy donations.

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 £2,419,034 in the year ended 31 March 2023 (31 March 2022: £1,457,244).

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 expenditure during the year to 31 March 2023 was £628,246 (31 March 2022: net expenditure £327,987). Unrestricted reserves reduced by £628,814 to £4,013,796 (31 March 2022: reduced by £316,496 to £4,642,610).

Investment review

There have been no material changes in the investment management policy employed by the Charity during the year ended 31 March 2023. 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 of 31 March 2023 totals £4,541,549 (31 March 2022: £4,865,674).

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 £3,917,821 (31 March 2022: £4,550,600). 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 2023: £1,500,000).

The charity has slightly reduced reserves during the year as it increased its charitable activities spend for the year ended 31 March 2023 by £1,057,818 from the previous year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was originally established in 1966 under the name of The South Wales Cancer Research Council and later became Cancer Research Wales. In 2016, the Charity became a charitable incorporated organisation (CIO) and is registered as a charity with the Charity Commission (No. 1167290). We are governed by our Constitution.

Reference and administrative details are listed on page 8.

Appointment and training of trustees

There are two methods used for the recruitment and appointment of new trustees. Recommendation from existing trustees, who identify an individual that has the skills and experience deemed necessary to enhance the Board, and through external advertisement of the vacant positions.

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 are required to confirm that they accept their responsibilities in accordance with the Charity.

New trustees are given an introductory pack containing all required documentation to ensure the trustee appointee understands their individual fiduciary duty, in addition all Charity Commission updates are provided to Trustees to ensure ongoing compliance and good governance is achieved.

The Board of Trustees and Senior Management Team meet a minimum of every quarter to discuss all strategic charity matters which require the decision of the Board in accordance with the Constitution.

There are two sub-committees: 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.

CANCER RESEARCH WALES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 and the Charities Act.
- 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..

Delegation

There is a delegation of authority agreed by the Board for the operational responsibilities of the business to be conducted by the Chief Executive and Senior Leadership Team. The Chief Executive reports to the Board Chair.

Risk management

The Charity has detailed organisational risk registers which are reviewed monthly by the Senior Management Team and quarterly by the relevant 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. Considering the pandemic this was revised into a new format.

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 2022/23 there were no formal complaints, regarding the work of Cancer Research Wales. There were no personal data related incidents reported to the Board of Trustees in 2022/23.

CANCER RESEARCH WALES

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1167290

Principal address
Unit 22 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Trustees

| | |
|----------------|----------------------------|
| Mr G R J Moore | Chair |
| Dr C C Gaffney | Scientific Committee Chair |
| Ms R Whiting | Hon Legal Advisor |
| Mr R Reynolds | Treasurer |

Appointed October 2023

Ms C Nicholls
Prof C Fegan
Mrs K Mann
Ms J MacLean
Mr I Sharp
Mr S Pearson
Mr S Man

Appointed December 2022
Appointed February 2023
Resigned October 2022
Resigned September 2023
Appointed October 2023

Senior Management

| | |
|---------------|---|
| Ms A Yandall | Chief Operating Officer |
| Dr L Campbell | Head of Research and Science Communication |

Appointed May 2022

| | |
|-------------|--|
| Ms A Tate | Chief Executive Officer |
| Mr R Davies | Head of Income Generation, Marketing and Communications |

Resigned October 2022

Resigned November 2022

Auditors

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
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

CANCER RESEARCH WALES

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

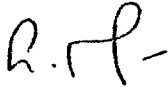
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 12 SEPTEMBER 23 and signed on its behalf by:



.....
G R J Moore – Chair of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CANCER RESEARCH WALES

Opinion

We have audited the financial statements of Cancer Research Wales (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its 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 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 Auditor 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

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.

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

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.

Opinions on other matters prescribed by the Charities Act 2011

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF CANCER RESEARCH WALES

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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.

Auditor 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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. We addressed these risks by carrying out specifically targeted procedures, which included:

- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- Evaluating the reasons for any large or unusual transactions;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations to underlying supporting documentation.

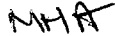
Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentations.

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 Auditor.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
CANCER RESEARCH WALES

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.



MHA
Statutory Auditor
County of Cardiff
CF23 8RS

Date: 18 January 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

CANCER RESEARCH WALES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Unrestricted fund £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|------------------------------------|-------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 3 | 2,177,911 | 241,123 | 2,419,034 | 1,457,244 |
| Other trading activities | 4 | 1,198,818 | - | 1,198,818 | 695,727 |
| Investment income | 5 | 80,131 | - | 80,131 | 84,906 |
| Other income | 6 | 68,832 | - | 68,832 | 1,223 |
| Total | | <u>3,525,692</u> | <u>241,123</u> | <u>3,766,815</u> | <u>2,239,100</u> |
| EXPENDITURE ON | | | | | |
| Raising funds | 7 | 1,054,164 | - | 1,054,164 | 665,291 |
| Charitable activities | 8 | - | - | - | - |
| Library funding | | - | - | - | - |
| Research projects | | 2,926,270 | 53,115 | 2,979,385 | 1,921,567 |
| Total | | <u>3,980,434</u> | <u>53,115</u> | <u>4,033,549</u> | <u>2,586,858</u> |
| Net gains/(losses) on investments | | (361,512) | - | (361,512) | 19,771 |
| NET INCOME/(EXPENDITURE) | | (816,254) | 188,008 | (628,246) | (327,987) |
| Transfers between funds | 23 | 187,440 | (187,440) | - | - |
| Net movement in funds | | (628,814) | 568 | (628,246) | (327,987) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 4,642,610 | 345,520 | 4,988,130 | 5,316,117 |
| TOTAL FUNDS CARRIED FORWARD | | <u>4,013,796</u> | <u>346,088</u> | <u>4,359,884</u> | <u>4,988,130</u> |

The notes form part of these financial statements

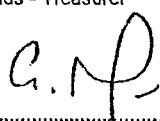
CANCER RESEARCH WALES

BALANCE SHEET
31 MARCH 2023

| | Notes | Unrestricted fund £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|--|-------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 17 | 95,975 | - | 95,975 | 92,010 |
| Investments | 18 | 4,541,549 | - | 4,541,549 | 4,865,674 |
| | | 4,637,524 | - | 4,637,524 | 4,957,684 |
| CURRENT ASSETS | | | | | |
| Debtors | 19 | 986,904 | - | 986,904 | 645,228 |
| Cash at bank and in hand | | 2,792,107 | 346,088 | 3,138,195 | 2,400,769 |
| | | 3,779,011 | 346,088 | 4,125,099 | 3,045,997 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 20 | (548,057) | - | (548,057) | (486,832) |
| NET CURRENT ASSETS | | 3,230,954 | 346,088 | 3,577,042 | 2,559,165 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 7,868,478 | 346,088 | 8,214,566 | 7,516,849 |
| PROVISIONS FOR LIABILITIES | 22 | (3,854,682) | - | (3,854,682) | (2,528,719) |
| NET ASSETS | | 4,013,796 | 346,088 | 4,359,884 | 4,988,130 |
| FUNDS | 23 | | | | |
| Unrestricted funds | | | | 4,013,796 | 4,642,610 |
| Restricted funds | | | | 346,088 | 345,520 |
| TOTAL FUNDS | | | | 4,359,884 | 4,988,130 |

The financial statements were approved by the Board of Trustees and authorised for issue on ~~12 SEPTEMBER 2023~~ and were signed on its behalf by:


R Reynolds - Treasurer


G R J Moore - Chair of Trustees

The notes form part of these financial statements

CANCER RESEARCH WALES

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | 2023 £ | 2022 £ |
|---|-------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | a) | <u>737,416</u> | <u>(718,514)</u> |
| Net cash provided by/(used in) operating activities | | <u>737,416</u> | <u>(718,514)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (42,734) | (94,753) |
| Purchase of fixed asset investments | | (1,086,474) | (1,209,223) |
| Sale of fixed asset investments | | 1,049,087 | 1,165,185 |
| Interest received | | 15,040 | 51,120 |
| Dividends received | | <u>65,091</u> | <u>33,786</u> |
| Net cash provided by/(used in) investing activities | | <u>10</u> | <u>(53,885)</u> |
| Change in cash and cash equivalents in the reporting period | | <u>737,426</u> | <u>(772,399)</u> |
| Cash and cash equivalents at the beginning of the reporting period | | <u>2,400,769</u> | <u>3,173,168</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>3,138,195</u></u> | <u><u>2,400,769</u></u> |

The notes form part of these financial statements

CANCER RESEARCH WALES

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

a) RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2023 £ | 2022 £ |
|---|----------------|------------------|
| Net expenditure for the reporting period (as per the Statement of Financial Activities) | (628,246) | (327,987) |
| Adjustments for: | | |
| Depreciation charges | 38,769 | 30,984 |
| Losses/(gain) on investments | 361,512 | (19,771) |
| Loss on disposal of fixed assets | - | 2,430 |
| Interest received | (15,040) | (51,120) |
| Dividends received | (65,091) | (33,786) |
| Discounting of provisions | (66,735) | - |
| Dilapidations provision | 102,376 | 48,500 |
| (Increase)/decrease in debtors | (341,676) | 104,030 |
| Increase/(decrease) in creditors | 1,351,547 | (471,794) |
| Net cash provided by/(used in) operations | <u>737,416</u> | <u>(718,514)</u> |

b) ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/4/22 £ | Cash flow £ | At 31/3/23 £ |
|--------------------------|------------------|----------------|------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>2,400,769</u> | <u>737,426</u> | <u>3,138,195</u> |
| | <u>2,400,769</u> | <u>737,426</u> | <u>3,138,195</u> |
| Total | <u>2,400,769</u> | <u>737,426</u> | <u>3,138,195</u> |

The notes form part of these financial statements

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 22 Neptune Court, Vanguard Way, Cardiff, CF24 5PJ. 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.

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.

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.

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Expenditure and basis of recognition of liabilities

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.

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.

CANCER RESEARCH WALES

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES - continued

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 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.

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.

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Significant accounting judgements and estimates

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

| | 2023 £ | 2022 £ |
|-----------|------------------|------------------|
| Donations | 258,484 | 191,743 |
| Trusts | 2,600 | 2,550 |
| Legacies | 1,990,037 | 1,154,451 |
| Grants | <u>167,913</u> | <u>108,500</u> |
| | <u>2,419,034</u> | <u>1,457,244</u> |

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

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Bristol Meyers Squibb Pharmaceuticals | - | 57,500 |
| Public Health Wales NHS Trust | - | 50,000 |
| Wales Cancer Network | - | 1,000 |
| UK Government COVID Medical Research Support Fund | <u>167,913</u> | <u>-</u> |
| | <u>167,913</u> | <u>108,500</u> |

4. OTHER TRADING ACTIVITIES

| | 2023 £ | 2022 £ |
|---------------|------------------|----------------|
| Fundraising | 475,820 | 285,126 |
| Retail income | <u>722,998</u> | <u>410,601</u> |
| | <u>1,198,818</u> | <u>695,727</u> |

5. INVESTMENT INCOME

| | 2023 £ | 2022 £ |
|--|---------------|---------------|
| Income from shares in listed companies | 65,091 | 33,786 |
| Interest receivable and similar income | <u>15,040</u> | <u>51,120</u> |
| | <u>80,131</u> | <u>84,906</u> |

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

6. OTHER INCOME

| | 2023 | 2022 |
|---------------------------|---------------|--------------|
| | £ | £ |
| Discounting of provisions | 66,735 | - |
| Insurance claim | - | - |
| Miscellaneous income | 1,797 | 53 |
| Royalties | 300 | 1,170 |
| | <u>68,832</u> | <u>1,223</u> |

7. RAISING FUNDS

Raising donations and legacies

| | 2023 | 2022 |
|--|----------------|----------------|
| | £ | £ |
| Fundraising staff costs | 224,396 | 208,035 |
| Gift aid and legacy expenses | 11,214 | 8,722 |
| Events and general fundraising expenditure | 86,515 | 7,433 |
| Advertising and publicity | 12,162 | 2,900 |
| Other fundraising expenses | - | 37,640 |
| | <u>334,287</u> | <u>264,730</u> |

Other trading activities

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Retail staff costs | 319,328 | 178,467 |
| Retail purchases | 1,276 | 1,032 |
| Retail and warehouse premises costs | 171,605 | 102,223 |
| Other retail costs | 62,153 | 61,949 |
| Merchandise purchases including Christmas cards | 6,217 | 4,148 |
| Dilapidations | 102,376 | 1,848 |
| Depreciation | 26,346 | 15,340 |
| Loss on sale of assets | - | 2,430 |
| | <u>689,301</u> | <u>367,437</u> |

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

Investment management costs

| | 2023 | 2022 |
|-----------------------------|------------------|----------------|
| | £ | £ |
| Investment management costs | <u>30,576</u> | <u>33,124</u> |
| Aggregate amounts | <u>1,054,164</u> | <u>665,291</u> |

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

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>166,922</u> | <u>2,186,327</u> | <u>626,136</u> | <u>2,979,385</u> |

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

| | 2023 £ | 2022 £ |
|------------------------------------|----------------|----------------|
| Staff costs | 131,123 | 134,454 |
| Direct cancer research expenditure | 17,567 | 7,127 |
| Science communication costs | 18,232 | 104,723 |
| Depreciation | - | 203 |
| | <u>166,922</u> | <u>246,507</u> |

10. GRANTS PAYABLE

| | 2023 £ | 2022 £ |
|-------------------|------------------|------------------|
| Research projects | <u>2,186,327</u> | <u>1,020,907</u> |
| | <u>2,186,327</u> | <u>1,020,907</u> |

The total grants paid to institutions during the year was as follows:

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Velindre NHS Trust | - | 124,175 |
| Cardiff University | 637,601 | 462,604 |
| Swansea University | 347,813 | 456,674 |
| Bangor University | 1,130,413 | 6,016 |
| Other adjustments on project closures | - | (28,562) |
| Wales Cancer Network | 20,000 | - |
| Betsi Cadwaladr University Health Board | <u>50,500</u> | <u>-</u> |
| | <u>2,186,327</u> | <u>1,020,907</u> |

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

11. SUPPORT COSTS

| | Staff costs £ | Depreciation £ | Other £ |
|-------------------|---------------------|-------------------|----------------|
| Research projects | <u>290,379</u> | <u>12,423</u> | <u>305,932</u> |

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

11. SUPPORT COSTS - continued

| | Human resources £ | Governance costs £ | Totals £ |
|-------------------|-------------------------|--------------------------|----------------|
| Research projects | <u>2,365</u> | <u>15,037</u> | <u>626,136</u> |

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 or for the year ended 31 March 2022.

Trustees' expenses

There were trustee's expenses of £Nil (2022 - £Nil) paid to trustees for the year ended 31 March 2023 for reimbursement of travel expenses.

13. STAFF COSTS

| | 2023 £ | 2022 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 828,533 | 674,879 |
| Redundancy costs | - | 8,000 |
| Social security costs | 70,664 | 52,052 |
| Pension | <u>66,029</u> | <u>58,776</u> |
| | <u>965,226</u> | <u>793,707</u> |

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

| | 2023 | 2022 |
|----------------------------|-----------|-----------|
| Science & Policy | 2 | 3 |
| Fundraising | 7 | 6 |
| Retail | 15 | 10 |
| Administration/ Governance | <u>5</u> | <u>4</u> |
| | <u>29</u> | <u>23</u> |

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

| | 2023 No. | 2022 No. |
|-----------------------|-------------|-------------|
| £60,001 - £70,000 | 1 | 1 |
| Pension contributions | 7,465 | 9,236 |

The total key management personnel remuneration benefits during the year was £256,911 (2022 - £262,892).

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted funds £ | Total funds £ |
|------------------------------------|---------------------------|--------------------------|-------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 1,442,352 | 14,892 | 1,457,244 |
| Other trading activities | 695,727 | - | 695,727 |
| Investment income | 84,906 | - | 84,906 |
| Other income | 1,223 | - | 1,223 |
| Total | <u>2,224,208</u> | <u>14,892</u> | <u>2,239,100</u> |
| EXPENDITURE ON | | | |
| Raising funds | 665,291 | - | 665,291 |
| Charitable activities | | | |
| Research projects | <u>1,895,184</u> | <u>26,383</u> | <u>1,921,567</u> |
| Total | <u>2,560,475</u> | <u>26,383</u> | <u>2,586,858</u> |
| Net gains on investments | <u>19,771</u> | <u>-</u> | <u>19,771</u> |
| NET INCOME/(EXPENDITURE) | (316,496) | (11,491) | (327,987) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | <u>4,959,106</u> | <u>357,011</u> | <u>5,316,117</u> |
| TOTAL FUNDS CARRIED FORWARD | <u>4,642,610</u> | <u>345,520</u> | <u>4,988,130</u> |

15. FINANCIAL INSTRUMENTS

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | 4,056,266 | 3,019,542 |
| Financial assets measured at fair value | <u>4,541,549</u> | <u>4,865,674</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 524,544 | 392,034 |
| Financial liabilities measured at fair value | <u>3,854,682</u> | <u>2,528,719</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.

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

16. INTANGIBLE FIXED ASSETS

| | Computer software £ |
|-----------------------------------|------------------------|
| COST | |
| At 1 April 2022 and 31 March 2023 | <u>14,922</u> |
| AMORTISATION | |
| At 1 April 2022 and 31 March 2023 | <u>14,922</u> |
| NET BOOK VALUE | |
| At 31 March 2023 | <u>-</u> |
| At 31 March 2022 | <u>-</u> |

17. TANGIBLE FIXED ASSETS

| | Leasehold property improvements £ | Fixtures & Equipment £ | Motor vehicles £ | Totals £ |
|-----------------------|--------------------------------------|---------------------------|---------------------|----------------|
| COST | | | | |
| At 1 April 2022 | 167,398 | 65,963 | 20,216 | 253,577 |
| Additions | <u>24,052</u> | <u>18,682</u> | <u>-</u> | <u>42,734</u> |
| At 31 March 2023 | <u>191,450</u> | <u>84,645</u> | <u>20,216</u> | <u>296,311</u> |
| DEPRECIATION | | | | |
| At 1 April 2022 | 111,304 | 30,808 | 19,455 | 161,567 |
| Charge for year | <u>23,647</u> | <u>14,931</u> | <u>191</u> | <u>38,769</u> |
| At 31 March 2023 | <u>134,951</u> | <u>45,739</u> | <u>19,646</u> | <u>200,336</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2023 | <u>56,499</u> | <u>38,906</u> | <u>570</u> | <u>95,975</u> |
| At 31 March 2022 | <u>56,094</u> | <u>35,155</u> | <u>761</u> | <u>92,010</u> |

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. FIXED ASSET INVESTMENTS

| | Investments £ |
|-----------------------|------------------|
| MARKET VALUE | |
| At 1 April 2022 | 4,865,674 |
| Additions | 1,086,474 |
| Disposals | (1,049,087) |
| Revaluations | <u>(361,512)</u> |
| At 31 March 2023 | <u>4,541,549</u> |
| NET BOOK VALUE | |
| At 31 March 2023 | <u>4,541,549</u> |
| At 31 March 2022 | <u>4,865,674</u> |

| | 2023 £ | 2022 £ |
|--------------------------------|------------------|------------------|
| Historical cost of investments | <u>3,393,048</u> | <u>3,590,880</u> |

Analysis of investments between funds:

| | 2023 £ | 2022 £ |
|-----------------------------------|------------------|------------------|
| Listed investments | 4,508,193 | 4,800,481 |
| UK cash held as part of portfolio | <u>33,356</u> | <u>65,193</u> |
| | <u>4,541,549</u> | <u>4,865,674</u> |

Cost or valuation at 31 March 2023 is represented by:

| | Investments £ |
|-------------------|------------------|
| Valuation in 2020 | 733,672 |
| Valuation in 2021 | 756,570 |
| Valuation in 2022 | 19,771 |
| Valuation in 2023 | <u>(361,512)</u> |
| Cost | <u>3,393,048</u> |
| | <u>4,541,549</u> |

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 £ | 2022 £ |
|--------------------------------|----------------|----------------|
| Other debtors | 58,803 | 10,362 |
| Legacies due | 809,278 | 608,411 |
| VAT | 1,365 | - |
| Prepayments and accrued income | <u>117,458</u> | <u>26,455</u> |
| | <u>986,904</u> | <u>645,228</u> |

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | £ | £ |
| VAT payable | - | 30,847 |
| Project funding payments due | 416,671 | 276,543 |
| Other creditors | 82,199 | 81,163 |
| Accruals and deferred income | <u>49,187</u> | <u>98,279</u> |
| | <u>548,057</u> | <u>486,832</u> |

Included within accruals and deferred income above is deferred income of £23,515 (2022: £63,951). This relates to income received in advance for campaigns and events taking place in the next financial year.

| | 2023 | 2022 |
|--|---------------|---------------|
| | £ | £ |
| Deferred income brought forward | 63,951 | 134,396 |
| Released to SOFA | (63,951) | (107,500) |
| Additional income deferred in the year | <u>23,515</u> | <u>37,500</u> |
| | <u>23,515</u> | <u>63,951</u> |

21. LEASING AGREEMENTS

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

| | 2023 | 2022 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Within one year | 96,148 | 102,750 |
| Between one and five years | <u>160,130</u> | <u>215,210</u> |
| | <u>256,278</u> | <u>317,960</u> |

Total operating lease payments charged to the Statement of Financial Activities in the year amounted to £93,653 (2022 - £67,782).

22. PROVISIONS FOR LIABILITIES

| | 2023 | 2022 |
|-------------------------------|------------------|---------------------------|
| | £ | £ |
| Project grant commitments | 3,625,594 | 2,402,007 |
| Dilapidations provision | <u>229,088</u> | <u>126,712</u> |
| | <u>3,854,682</u> | <u>2,528,719</u> |
| | | Project grant commitments |
| | | £ |
| Balance at 1 April 2022 | | 2,402,007 |
| New project grant commitments | | 2,186,327 |
| Grants payable in the year | | (896,005) |
| Grant underspend written back | | - |
| Discounting of provisions | | <u>(66,735)</u> |
| Balance at 31 March 2023 | | <u>3,625,594</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.

A change in accounting estimate has resulted in the dilapidation provision as shown above.

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

23. MOVEMENT IN FUNDS

| | At 1/4/22 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/23 £ |
|--|------------------|----------------------------------|------------------------------------|--------------------|
| Unrestricted funds | | | | |
| General fund | 4,642,610 | (816,254) | 187,440 | 4,013,796 |
| Restricted funds | | | | |
| Brain Tumour Scholarship | 150,000 | - | (150,000) | - |
| Bowel Cancer Research Fund | 61,920 | - | (61,920) | - |
| Tom Walker Fund - Acute Myeloid Leukaemia | 73,617 | (38,115) | - | 35,502 |
| Millennium Stadium Charitable Trust | 7,500 | (7,500) | - | - |
| Tom Walker Fund - Brain Tumour | 52,483 | 23,210 | 16,980 | 92,673 |
| Nicholas Roe - Leukaemia Project | - | 50,000 | - | 50,000 |
| UK Government COVID Medical Research Support Fund | - | 167,913 | - | 167,913 |
| Waterloo Foundation | - | (7,500) | 7,500 | - |
| | <u>345,520</u> | <u>188,008</u> | <u>(187,440)</u> | <u>346,088</u> |
| TOTAL FUNDS | <u>4,988,130</u> | <u>(628,246)</u> | <u>-</u> | <u>4,359,884</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 | 3,525,692 | (3,980,434) | (361,512) | (816,254) |
| Restricted funds | | | | |
| Tom Walker Fund - Acute Myeloid Leukaemia | - | (38,115) | - | (38,115) |
| Millennium Stadium Charitable Trust | - | (7,500) | - | (7,500) |
| Tom Walker Fund - Brain Tumour | 23,210 | - | - | 23,210 |
| Nicholas Roe - Leukaemia Project | 50,000 | - | - | 50,000 |
| UK Government COVID Medical Research Support Fund | 167,913 | - | - | 167,913 |
| Waterloo Foundation | - | (7,500) | - | (7,500) |
| | <u>241,123</u> | <u>(53,115)</u> | <u>-</u> | <u>188,008</u> |
| TOTAL FUNDS | <u>3,766,815</u> | <u>(4,033,549)</u> | <u>(361,512)</u> | <u>(628,246)</u> |

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 1/4/21 £ | Net movement in funds £ | At 31/3/22 £ |
|--|------------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 4,959,106 | (316,496) | 4,642,610 |
| 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 | (26,383) | 73,617 |
| Millennium Stadium Charitable Trust | 7,500 | - | 7,500 |
| Tom Walker Fund - Brain Tumour | 37,591 | 14,892 | 52,483 |
| | <u>357,011</u> | <u>(11,491)</u> | <u>345,520</u> |
| TOTAL FUNDS | <u>5,316,117</u> | <u>(327,987)</u> | <u>4,988,130</u> |

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 | 2,224,208 | (2,560,475) | 19,771 | (316,496) |
| Restricted funds | | | | |
| Tom Walker Fund - Acute Myeloid Leukaemia | - | (26,383) | - | (26,383) |
| Tom Walker Fund - Brain Tumour | 14,892 | - | - | 14,892 |
| | <u>14,892</u> | <u>(26,383)</u> | <u>-</u> | <u>(11,491)</u> |
| TOTAL FUNDS | <u>2,239,100</u> | <u>(2,586,858)</u> | <u>19,771</u> | <u>(327,987)</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.

Tom Walker Fund - Brain Tumour

Fundraising income was received during the year to fund research into two projects. One project is trying to replicate brain tumours in context by creating mini brains, with the second project engineering viruses to attack brain tumours. Both of these are based in Cardiff University and are collaborating to maximise the benefits of both projects.

CANCER RESEARCH WALES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

23. MOVEMENT IN FUNDS - continued

Waterloo Foundation

A grant was received in a prior year to undertake public engagement events, typically delivered through Science Café's.

UK Government COVID Medical Research Support Fund

Grant was received to ensure that existing projects affected by the COVID pandemic were able to continue. The funding aims to protect the pipeline of early career researchers and future research leaders.

Roe Family - Leukaemia Funding

A donation was received in the year which will fund research into the creation of a new drug for acute myeloid leukaemia. This research is taking place at Swansea University.

Transfers between funds

Tom Walker Fund - Brain Tumour - £16,980 was transferred into the fund from unrestricted reserves to reflect gift aid on income received in previous years that had not been allocated against the fund.

Brain Tumour Scholarship - £150,000 was transferred into unrestricted reserves, to reflect that the grant had been fully spent on brain tumour projects in previous years, but the expenditure had not been allocated against the fund.

Bowel Cancer Research Fund - £61,920 was transferred into unrestricted reserves, to reflect that the grant had been fully spent on bowel cancer research projects in previous years, but the expenditure had not been allocated against the fund.

Waterloo Foundation - £7,500 was transferred into the fund from unrestricted to reflect the restricted income received in previous years, but not allocated as restricted.

24. EMPLOYEE BENEFIT OBLIGATIONS

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 £66,029 (2022 - £58,776). Contributions outstanding at the year end amounted to £6,929 (2022 - £9,273).

25. RELATED PARTY DISCLOSURES

A member of the board of Trustees is also a partner of Robertsons Solicitors, who provide legal services to the charity. During the year £8,988 was paid for their services (2022 - £7,745). At 31 March 2023 the balance owed to Robertsons was £Nil (2022: £940).

Another of the trustees is a director of Insight HRC, who provided consultancy services to the charity. During the year £2,574 was paid for their services (2022 - £Nil). At 31 March 2023 the balance owed to Insight HRC was £Nil (2022: £Nil).

One trustee is an Associate Director of Cowshed Communications, who act as the marketing agency for the charity. During the year £60,076 was paid for their services (2022 - £6,168). At 31 March 2023 the balance owed to Cowshed Communications was £2,400 (2022: £Nil).

The wife of a trustee was employed as a shop manager by the Charity. They were on a normal contract of employment and remunerated as per their contract.

26. CONTINGENT ASSET

At 31 March 2023 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.