

**I grasp each day
and hope research
will come along
and help me**

**Annual Report and
Accounts 2016/17**

**breast cancer
now**

Every day, around 139 people in the UK hear the words “it’s breast cancer”. And every month the disease takes the lives of nearly 1,000 people.

But these aren’t just statistics. These are real people with real lives, who we need to give more precious time to live.

Behind our army of nearly 450 scientists is a force of people making breast cancer research happen. With their help our research will save lives. You can meet some of them throughout this report.



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Our research will save lives

Right now breast cancer is at a tipping point. More women are surviving, but more are being diagnosed than ever before – nearly 56,000 every year. Every 45 minutes, another woman dies from the disease.

Never before has our work been more needed, so this year we have developed our five-year strategy which focuses on three clear goals of:

- Preventing breast cancer
- Stopping deaths from breast cancer
- Improving the lives of those affected by breast cancer

The strategy is informed by leading scientists and experts and includes direct input from thousands of people diagnosed and living with breast cancer. We have systematically analysed key opportunities and used insight from our consultations to highlight where we could create the biggest impact for people affected by the disease.

We are the largest breast cancer research charity in the UK and while high-quality research is the key to stopping breast cancer taking lives, research alone isn't enough. To complement our research we'll use our influence to drive improvements in policy and practice and create the change needed, so patients across the UK can benefit from scientific progress.

We will endeavour to ensure that everyone affected by the disease receives the best possible treatment, care and services. Through the impact

of our strategy and if we all act now, by 2050, everyone who develops breast cancer will live – and live well.

Our scientific research is focused on addressing the critical gaps in breast cancer knowledge. This year we funded nearly £15 million of cutting-edge research through supporting nearly 450 researchers, including many of the world's top breast cancer scientists, at 29 institutions across the UK and Ireland. This includes nearly £9 million of funding at The Breast Cancer Now Toby Robins Research Centre at the Institute of Cancer Research in London – the UK's first dedicated breast cancer research centre.

This year, we were delighted to report that in a phase III clinical trial the drug olaparib delayed progression of the breast cancer by an average of around three months, compared to chemotherapy. A remarkable breakthrough for patients with HER2-negative BRCA-mutation advanced breast cancer. Olaparib – which is one of a new class of drugs known as PARP inhibitors – was first developed as a cancer treatment following landmark research by scientists at The Breast Cancer Now Toby Robins Research Centre in 2005 who demonstrated for the first time that cancers with BRCA1 and BRCA2 mutations were very sensitive to PARP inhibitors.

Through our research we are actively developing new treatments but we also work to ensure that current treatments are available to patients across the UK. The drug Kadcyla had been available in England through the Cancer Drugs Fund since 2014.

However, following changes to the Fund, it was reappraised by NICE for routine use on the NHS in England. After Kadcyla's provisional rejection by NICE we launched an urgent petition to overturn this draft decision to both Sir Andrew Dillon, Chief Executive at NICE, and Richard Erwin, General Manager at Roche Products.

In less than one month, the petition amassed over 115,000 signatures from across UK, and was delivered directly to NICE and Roche in January 2017. Following tough negotiation a solution was found that kept Kadcyla available in England and also in Wales for the very first time.

We have continued to raise the profile of breast cancer and the impact the disease has on many thousands of people among politicians across the UK. Working with the All-Party Parliamentary Group on Breast Cancer – for which Breast Cancer Now provides the secretariat – we are contributing to an inquiry into the geographical inequalities and variations in the levels of treatment, care and support patients receive. The inquiry aims to understand the extent of these variations including, where possible, whether variations have changed significantly over time, the reasons for these variations, and the impact they have on patients. Ultimately, the inquiry will make recommendations about how these inequalities can be reduced.

In our efforts to seek out new partnerships and collaborations to radically speed up critical research we continued our work with Pfizer on the Breast Cancer Now Catalyst Programme, an exciting initiative bringing together leading researchers and pharmaceutical companies to accelerate the development of treatments and secure better outcomes for patients.



During the year we awarded over £2 million funding for eight translational research projects through the Catalyst Programme, all of which are also granted access to existing and experimental drugs in Pfizer's oncology portfolio. This included projects aiming to tackle the spread of breast cancer to bones, triple negative breast cancer, and lobular breast cancer – forms of the disease which are all in great need of new treatment options.

The prevention of breast cancer plays a major role in the delivery of our strategy and this year we have been working closely with the University of Dundee on ActWELL, a research trial funded by the Chief Scientist Office to test the effectiveness of a community based intervention, delivering lifestyle advice, to women aged 50-70 who have attended routine breast screening.

From a pool of over 100 applicants, Breast Cancer Now has successfully recruited a team of 26 volunteer lifestyle coaches in Aberdeen, Dundee, Edinburgh and Glasgow to deliver the ActWELL trial. The lifestyle coaches will work on a one-to-one basis with trial participants and the coaching will take place in local leisure centres. They will support the participants to make sustainable lifestyle changes focusing on physical activity, diet and body weight. The trial will continue for the next two years.

Two years on from the merger of Breast Cancer Campaign and Breakthrough Breast Cancer we are demonstrating that by uniting to stop breast cancer taking lives, we are already having a truly positive impact for people affected by the disease in the UK. Despite this year being a challenging time for the sector we saw our total income rise to £28.1 million and made considerable savings in our support costs.

Most importantly, we have also been able to increase our investment in our charitable work across the UK by nearly £1 million. We have joined the new Fundraising Regulator and have worked to ensure our fundraising reflects not only regulatory requirements but best practice. We are currently working to comply with the new General Data Protection Regulation, which will come in to effect on 25 May 2018.

Our work is only possible through bringing together the brightest minds, the best fundraisers and the most determined campaigners, partners and patient advocates. We're working with people who've been touched by the disease so that together we will stop breast cancer and save lives.



Baroness Delyth Morgan
Chief Executive



Professor Lynne Berry
Chair of Trustees

The Trustees are aware of the Charity Commission's guidance on public benefit and confirm that they have complied with the duty in section 17 of the Charities Act 2011.

About breast cancer

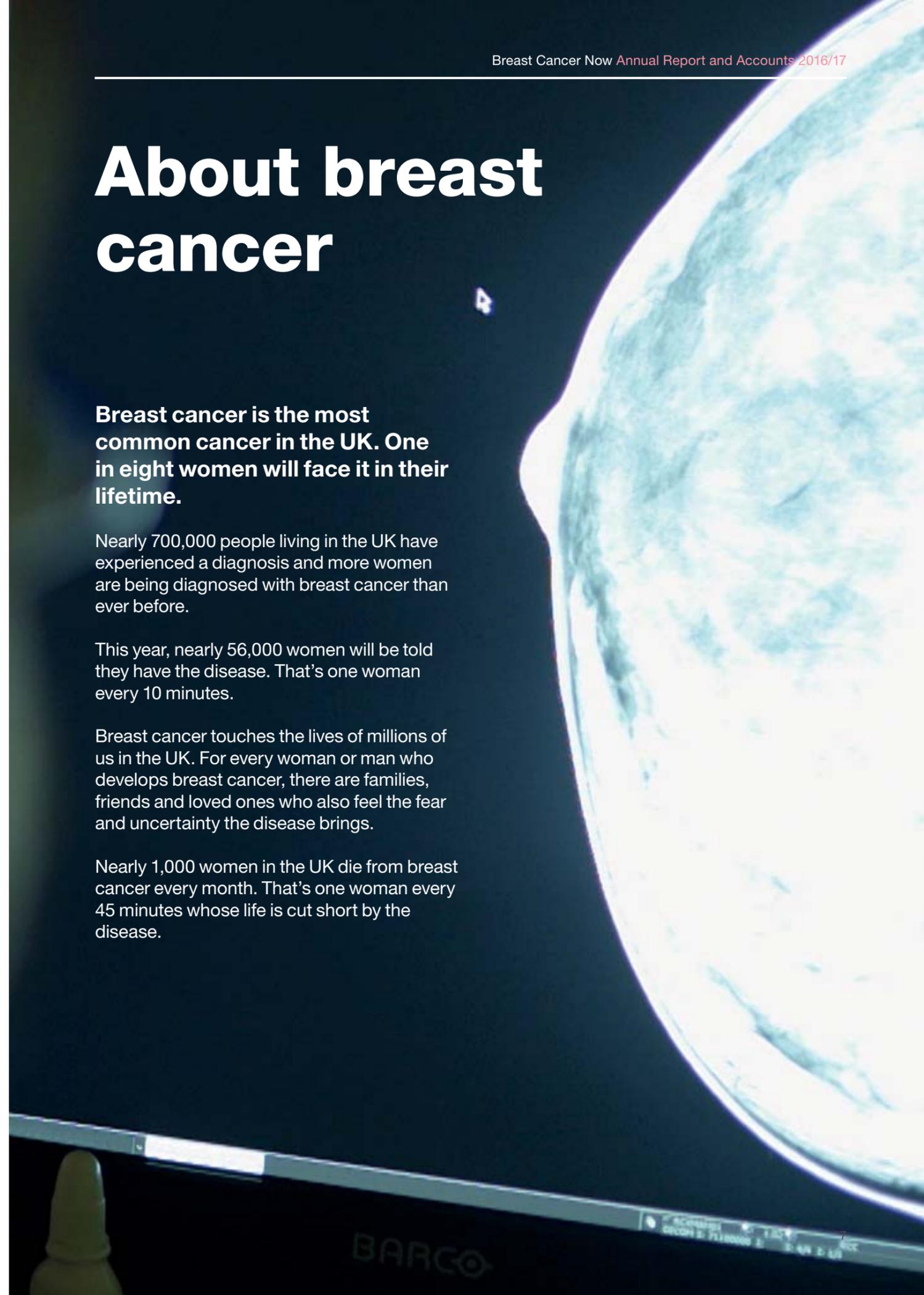
Breast cancer is the most common cancer in the UK. One in eight women will face it in their lifetime.

Nearly 700,000 people living in the UK have experienced a diagnosis and more women are being diagnosed with breast cancer than ever before.

This year, nearly 56,000 women will be told they have the disease. That's one woman every 10 minutes.

Breast cancer touches the lives of millions of us in the UK. For every woman or man who develops breast cancer, there are families, friends and loved ones who also feel the fear and uncertainty the disease brings.

Nearly 1,000 women in the UK die from breast cancer every month. That's one woman every 45 minutes whose life is cut short by the disease.



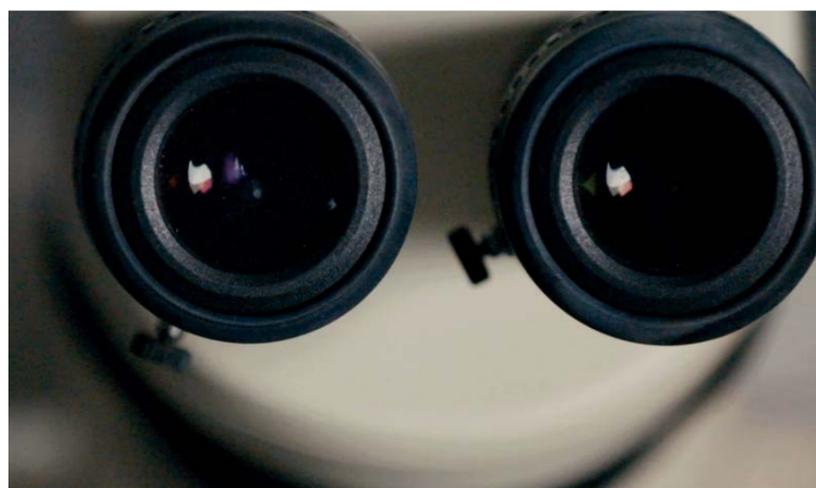
We're the UK's largest breast cancer charity

We're Breast Cancer Now – and we're dedicated to funding research into this devastating disease.

We believe that if we all act now, by 2050, everyone who develops breast cancer will live – and live well. But we'll only reach that point by working in a new, collaborative way. We're bringing together all those affected by the disease to improve the way we prevent, detect, treat and stop breast cancer.

We won't stop until breast cancer has taken its last life; something we are confident we can achieve, but only if we get the support we need.

Right now, we are funding over £26 million worth of ground-breaking research projects, supporting nearly 450 of the world's brightest researchers at 29 institutions across the UK and Ireland.



Professor Chris Lord is one of nearly 450 Breast Cancer Now researchers. It's thanks to our supporters that scientists like Chris can act now to make sure that, by 2050, everyone who develops breast cancer will live – and live well.

It's been another busy year... Strategic report 2016/17

In 2015 we published our *Action Plan for Breast Cancer* which sets out the key challenges we must overcome if we're to achieve our ambition that by 2050, everyone who develops breast cancer will live – and live well.

Throughout this publication we are reporting against our aims as set out in the *Action Plan for Breast Cancer*. The following summarises this year's achievements and performance as measured against these areas of focus:



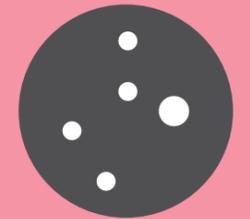
Risk and
Prevention



Early detection
and diagnosis



Treatment



Secondary
breast cancer

Our work also promotes **collaboration and innovation**. We connect the laboratory bench with the hospital bedside, the GP's surgery, the MP's office and the policies that govern our health service. Our work is informed by women and men living with breast cancer and those committed to putting an end to the disease.



Risk and prevention

The best weapon we could have against breast cancer is the ability to stop it occurring in the first place. To do this, we need to know who is most at risk of developing breast cancer and what we can do to prevent it. Our aims and results in 2016/17:

We will understand how genetic, hormone and lifestyle factors lead to the development of breast cancer, and use this knowledge to accurately assess an individual's personal risk of the disease.

Over the past year we have continued our work into finding factors that increase the likelihood of developing breast cancer, with progress being made by different research groups in discovering the genetic changes that may be associated with increased risk. Our researchers are also currently investigating new ways to measure a woman's lifetime exposure to the hormone oestrogen to more accurately predict her risk of breast cancer.

Within the past year the Breast Cancer Now Generations Study made the important discovery that previous studies may have underestimated the increased risk of breast cancer from combined Hormone Replacement Therapy.

The Breast Cancer Now Generations Study was set up in 2004 and aims to discover the causes of breast cancer through following more than 113,000 UK women for 40 years. The study is investigating the genetic, lifestyle and environmental factors that may change a woman's risk of developing breast cancer.

We will identify sustainable lifestyle changes, such as diet and physical activity, which can reduce the risk of breast cancer, and help women understand how making these changes could benefit them.

Through our Wellbeing programme with M&S we focused on the importance of being regularly active for our Breast Cancer Awareness Month campaign. We also conducted talks in stores to promote the key lifestyle changes women can make to reduce their risk of breast cancer.



 In October 2016, we launched an active wear clothing range with M&S during Breast Cancer Awareness Month.



As part of our partnership with M&S, a survey revealed that **more than 60% of their customers showed a readiness to change their behaviour if it meant it lowered their risk of breast cancer.**



In a survey to M&S customers it was found that 70% of their customers check their breasts regularly (at least once a month) for signs and symptoms of breast cancer, 18% of people who responded reported that they were drinking between 8-14 units of alcohol a week and more than 60% of customers showed a readiness to change their behaviour if it meant it lowered their risk of breast cancer. We'll continue to promote healthy lifestyle choices to their customers.

We've spoken to a range of experts across different disciplines/subject areas, to develop a new research call to drive forward research into risk stratified screening and prevention. The funding scheme will be launched next year.

Over the past year, we have reached more than 1.2 million people with our information on breast cancer risk. This includes printed publications, website views and downloads and social media engagement. We have also published five blogs on lifestyle changes: one on physical activity; two on reducing drinking; one on watching your weight; and one on healthy eating. Together these have been viewed nearly 2,000 times.

For the first time this year we worked in partnership with the charity Alcohol Concern, to promote the Dry January campaign. We attracted 6,000 new contacts from the initiative, who we are continuing to engage with our health and information work. Our own survey has shown that participants are generally drinking less six months later and the independent evaluation commissioned by Alcohol Concern on our behalf showed that all interviewees felt Dry January had had a positive impact on reducing their alcohol intake.

We seek to drive behavioural change through promoting the importance of early diagnosis and maintaining a healthy lifestyle, which can reduce the risk of breast cancer.

This year, we commissioned a large piece of market research to better understand the issues and barriers women experience in relation to both of these areas. We will use the feedback from the market research to inform our public health work over the coming year.

We will find the best risk-reducing interventions for women at increased risk of breast cancer and ensure these are made available and used as effectively as possible.

Over the past six months we have been working closely with the University of Dundee on ActWELL. Funded by the Chief Scientist Office, ActWELL is a research trial to test the effectiveness of a community based intervention, delivering lifestyle advice, to women aged 50-70 who have attended routine breast screening.

We have continued to fund research investigating ways to predict who will benefit from chemopreventive drugs and ways to tell if they are working, such as measuring changes to a woman's breast density while she's undergoing treatment. We hope that from this we can develop more personalised approaches to reducing risk.

Preventative drugs such as tamoxifen, for reducing the risk of primary breast cancer, and bisphosphonates, for reducing the risk of secondary breast cancer, are off-patent and available cheaply. There is therefore no commercial incentive for manufacturers to license them as preventative treatments. This can mean that there is variable access for women who would benefit from them.

This year we have been working with the Department of Health, The Association of the British Pharmaceutical Industry, Medicines & Healthcare products Regulatory Agency and other stakeholders on a range of actions to help improve access to these drugs. Throughout the coming year we will continue this work to find a suitable resolution to this issue.



We will ensure that the policy and public health environment responds to the latest evidence to deliver effective risk and prevention tests and treatments, as well as policies to support healthy, active lifestyles and improved public health in order to prevent more breast cancer cases.

From a pool of over 100 applicants, Breast Cancer Now has successfully recruited a team of 26 volunteer lifestyle coaches in Aberdeen, Dundee, Edinburgh and Glasgow to deliver the ActWELL trial.

The lifestyle coaches will work on a one-to-one basis with trial participants and the coaching will take place in local leisure centres. They will support the participants to make sustainable lifestyle changes focusing on physical activity, diet and body weight. The trial will continue for the next two years.

 Jill fronted our '43p a day' campaign to get low-cost and life-saving breast cancer drugs, bisphosphonates, to the women who need them.



Early detection and diagnosis

The earlier breast cancer is found and the earlier treatment is started, the greater the chances are of surviving the disease. Breast awareness and breast screening are vital ways to ensure women are diagnosed early.

Our aims and results in 2016/17:

We will find new ways to detect breast cancer at its earliest stages and ensure that this knowledge is implemented.

Breast Cancer Now scientists have been working to improve techniques to detect high breast density areas on mammograms, which can indicate the early stages of a tumour developing.

Their work has provided a greater understanding of Digital Breast Tomosynthesis methods, which could help radiologists to detect breast cancer earlier. We look forward to seeing the outcomes of adding tomosynthesis to digital mammography in other ongoing trials.



We will monitor developments in the stage at which breast cancer is detected across different areas and groups, and raise awareness of the signs and symptoms of breast cancer, giving women the confidence to take any concerns to their doctor as quickly as possible.

In October 2016, we launched our updated app, Breast Check Now, which uses behavioural science to support women to develop a healthy habit to check their breasts regularly. Since then, the app has been downloaded over 18,000 times.

We have set up a partnership agreement with Public Health England, who will include our Touch Look Check breast awareness information in their breast screening leaflet given to women over 70. This is a group who may mistakenly believe they no longer need to check their breasts and so is an opportunity to reach a wider audience with vital information for them.

We have reviewed and updated our breast screening guide, which was published at the end of May 2017. Over the year the guide has been viewed nearly 14,000 times. In July 2017, we piloted a Touch Look Check campaign using digital advertising and social media to encourage women to regularly check their breasts. During this time period, our breast awareness video was viewed 40,000 times, orders of our print publications nearly doubled and visits to the TLC webpage increased by 44%.

As part of our Show Scotland TLC campaign we started work with a number of MSPs to deliver breast awareness events in their communities across Scotland. As part of the campaign we have

taken our TLC message to staff at Edinburgh City Council and shoppers at the Loreburn Centre in Dumfries. The work will continue into 2017/18.

We will develop better methods of differentiating between very early breast cancers that require treatment and those that don't, avoiding over-diagnosis and over-treatment.

With our funding, alongside access to the Breast Cancer Now Tissue Bank, our researchers are able to continue investigating a non-invasive cancer known as ductal carcinoma in situ (DCIS). If left untreated, over half of DCIS cases will become invasive, so being able to accurately identify these cases will ensure patients who need treatment will receive it, and those at low risk can be spared unnecessary treatment.



The Breast Cancer Now Tissue Bank is the UK's largest collection of high-quality breast tissue, breast cells and blood samples from breast cancer patients. Scientists need to be able to study breast tissue samples, breast cells and blood from patients to understand how breast cancer behaves, grows and spreads.

We will work with government, clinicians and the NHS to improve earlier diagnosis and detection by monitoring and influencing the quality of breast cancer services, including GP referral pathways, to ensure they're working as best they can.

We are actively monitoring the transition from the two week wait from referral to first appointment to a four week wait from referral to diagnosis. We are committed to ensuring that women with breast symptoms do not experience an increase in waiting times. We have been closely monitoring waiting times over the past year and will continue to do so as the four week wait is introduced to ensure that its introduction does not have a detrimental effect on waiting times for breast symptoms.

The All-Party Parliamentary Group on Breast Cancer (APPGBC) – for which Breast Cancer Now provides the secretariat – is running an enquiry into the geographical inequalities and variations in the levels of treatment, care and support patients receive. The inquiry will also consider the opportunities presented by recent changes and developments to NHS structures.

In Scotland, we have continued to play an active role in the National (NHS Scotland) Breast Screening Information Advisory Group as well as the National (NHS Scotland) Breast Screening Standards Development Group to ensure the NHS Breast Screening Programme in Scotland is as effective as possible. Through working with patients and representing their concerns we influence the quality, provision of treatments and services for those with or at risk of breast cancer.

Linda is saving lives

This is Linda. Ten years after diagnosis, she knows without research she wouldn't be alive.

Linda was diagnosed with breast cancer in 2007. A fit and healthy woman in her forties, the shock of finding a lump as she was checking her breasts and discovering it was breast cancer was a lot to deal with. Linda underwent successful treatment, and now takes hormone therapy to help prevent the cancer returning.

Ten years on from her diagnosis, and Linda knows the importance of investing in research.

"I'm so happy to be here. It was a very difficult time, nobody can prepare you for that moment when you're told you have breast cancer – but my friends and family were a big support," says Linda.

"Without research I wouldn't be alive."

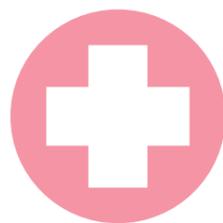
She adds: "I'm proactive about helping Breast Cancer Now. My husband and I organise pub quizzes, afternoon teas and I've even run the London Marathon."

"I feel like I was lucky but there are many others who aren't. I believe research is the only way we'll stop people dying from breast cancer, but that takes money".



Our scientists come from a wide-range of disciplines. Some are biologists, others geneticists; some are expert statisticians and others are doctors, surgeons and psychologists. They are all working together to find ways to prevent, detect, treat and stop breast cancer.

But our research can't continue without your support. To keep making discoveries we must invest at least £300 million in our life-saving research over the next 10 years.



Treatment

Breast cancer is not just one disease – there are more than 20 different types of breast cancer that we know of. That's why treatments must be highly targeted, personalised to each unique individual and their particular form of breast cancer. But there's more we need to know before we can truly fit the right treatment to the right person.

Our aims and results in 2016/17:

We will advance understanding of the genetic faults that drive breast cancer and allow it to become resistant to treatments, which will lead to more personalised treatments.

This year, we have continued working towards the development of targeted breast cancer treatments, and have awarded five grants to researchers who are focusing on understanding different forms of breast cancer, the genes and proteins that drive them, and how these could be targeted for future therapies. These grants include two studies using a drug called JQ1, which is currently being tested in clinical trials for other tumour types, to target both invasive lobular and triple negative breast cancer.

Over the past year, scientists from our Research Unit at King's College London have found that blocking a protein called PIMI – which is over-produced in triple negative breast cancers – could be effective in slowing the progression of tumours. These exciting results could lead to clinical trials soon.

It has also recently been announced that PARP inhibitor olaparib – which Breast Cancer Now contributed to the development of – has shown promising results in a clinical trial and has the potential to be a targeted new treatment for people with BRCA-mutated breast cancers.

We will ensure continued government investment in research – including in strategic areas of relevance to treatment, such as stratified medicine, genomics and biobanking.

In 2014, Breast Cancer Now and the Chief Scientist Office of the Scottish Government partnered to form a grant funding scheme worth £450,000. This partnership focuses specifically on funding research that bridges the gap between work in the laboratory and breast cancer patients.

This year, grants worth over £150,000 were awarded including innovative new research into how testing for BRCA gene mutations should be offered to women after a cancer diagnosis.



We awarded five grants to researchers who are focusing on understanding different forms of breast cancer, the genes and proteins that drive them, and how these could be targeted for future therapies.

We will develop tests to predict how well patients will respond to therapy options and use imaging to monitor their response, ultimately ensuring each person gets the most effective treatment for them.

Over the past year, our scientists have continued to investigate liquid biopsies – a new way to search for cancer-related gene mutations in the blood. They found that some of the participants who underwent liquid biopsy tests had tumour mutations that meant they could have benefited from altering their treatment. A trial is now underway to see whether liquid biopsies can be used to match patients to treatments that target the specific mutations that are driving their cancer's growth.

We will ensure patients can access the most appropriate treatments that can offer them the best quality of life, that the UK (and EU) research environment is doing all it can to allow rapid translation of research into clinical practice and that the NHS fulfils its duties to promote and support research.

In December 2016, we published new health information on bisphosphonates, drugs which protect the bones, to support our campaigning activity and to ensure women have the information they need about accessing bisphosphonates, their benefits and risks.

We will continue to work closely with patients and partners across the NHS to improve breast cancer services and make sure that everyone living with breast cancer receives the best possible care and support.

This year, we have worked to ensure that all those affected by breast cancer have the knowledge and support they need to make informed decisions about their care, and as such have developed a range of information on primary breast cancer that has reached nearly 60,000 people (print and online). We have updated our information on breast cancer in men, which has been viewed over 22,000 times.

Our Service Pledge programme has been running since 2003 and helps breast cancer services across the country involve patients and staff in reviewing services and implementing patient-centred improvements.

This year, we delivered the end of project Service Pledge report to the Department of Health and we are scoping new opportunities for our Pledge work. As part of this, we undertook a full evaluation of the programme. More than 2,500 patients were involved in giving feedback on their local breast care service through surveys. Over 200 patients were involved in focus group discussions about how their local service could be improved and 16 patients were trained as patient representatives to work directly with breast care staff at their hospital to develop a service improvement action plan.



 We've trained 16 patients to work directly with breast care staff at their hospital.

79 people affected by breast cancer were trained as Patient Advocates to support the delivery of the Service Pledge and as a result over 200 patient-centred improvements were identified, from making patients more comfortable when waiting for a diagnosis to providing more holistic support packages once patients finished their treatment.

With the Cancer Alliance frameworks in place, there are new opportunities to maximise the impact and scale of this work. As a result of this we are now developing ideas to pilot in response to the recommendations from the evaluation.

This year, we worked with nine primary and 11 secondary breast cancer services, engaging more than 1,600 patients and 100 healthcare professionals, resulting in over 70 improvements. RM Partners (part of the Cancer Vanguard) and West Yorkshire Cancer Alliance have both confirmed their commitment to piloting new ways to deliver the Secondary Breast Cancer Pledge and Service Pledge, respectively in 2017.

Through our research we have continued finding ways to minimise the negative side effects of breast cancer treatments and support patients through treatment.

A project was recently completed investigating ways to reduce the anxiety associated with fear of cancer returning, and we have awarded funding for a study that aims to discover how best to support recently diagnosed women through BRCA mutation testing. Our scientists have also begun a trial to determine whether cognitive behavioural therapy can be delivered effectively by breast cancer nurses to reduce the impact of hot flushes in women with breast cancer.

We're already making incredible strides in understanding breast cancer risk and prevention, early detection, diagnosis and treatment for both men and women.

But there's still much more to be done so we can save lives.



Giles is saving lives

This is Giles. Three men in his family have had breast cancer, he's counting on research to find out why.

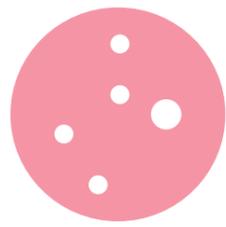
While breast cancer is largely a female disease, breast cancer does affect men. One of those men is Giles.

"My father died from breast cancer in 2004 and, six months later, my uncle was diagnosed and he died four years later when the cancer returned. And then two years ago, I developed it," explains Giles.

"Even for women who develop breast cancer the chances of it being because of a family history of the disease is actually pretty rare. But for two men in one family to get breast cancer, let alone three, is unheard of."

"I have a son and a daughter and I want a future where they don't have to worry about breast cancer."

"Around 350 men a year develop breast cancer, but that's still 350 lives. Research is key is to making sure that anyone who gets breast cancer, whether it's a man or a woman, survives."



Secondary breast cancer

Secondary or metastatic breast cancer – breast cancer that’s spread to other parts of the body – kills nearly 1,000 women in the UK a month. We will fight to change this by ramping up research efforts to stop women dying from the disease, and work to ensure that women living with secondary breast cancer receive the best possible care.

Our aims and results in 2016/17:

We will understand the processes that allow breast cancer to spread to different parts of the body and resist treatments.

Over the past year we have continued to grow our understanding of the biological processes that allow breast cancer to become invasive and spread to other parts of the body. Our scientists are tackling secondary breast cancer on many fronts, including investigating why the immune system doesn’t attack breast cancer cells that are spreading, and finding ways to block breast cancer stem cells – which are able to hibernate for many years before reawakening and forming secondary tumours.

Our researchers are also investigating how breast cancer is able to spread to specific parts of the body such as the brain and bones – and are developing new models to study the disease in the laboratory.

We will find the most effective drug combinations and develop new treatments to prevent and control the spread of breast cancer, while making sure that patients’ quality of life is at the fore.

Understanding the mechanics of secondary breast cancer with the hope of finding new targets for treatment underpins our research in this field. One of our scientists is building on previous research into a molecule called LOX that helps breast cancer spread to the bones, by looking at whether another molecule it interacts with could be targeted with drugs to prevent spread.

Our researchers have also made the crucial discovery that secondary tumours don’t have to make new blood vessels to grow, as previously thought, but can ‘hijack’ ones that are already there.

This might explain why breast cancer drugs to stop the growth of new blood vessels don’t always work, and could lead to better treatment decisions being made for patients.

We are also committed to improving the quality of life of those living with secondary breast cancer, and have awarded funding to researchers who will work with patients to create an online resource to help them to manage their symptoms.

We will continue to campaign for reform of the drug appraisal system and improve routine access to the most effective breast cancer treatments, regardless of price, for every woman in every part of the UK.

Kadcyla is a second line treatment for HER2 positive secondary breast cancer, for which it is estimated that 1,200 women a year could benefit. It can extend the lives of women by six months on average compared to alternative treatment options – although we know of women that have lived for many years on Kadcyla – with improved quality of life and fewer side effects. It was therefore important that we campaign to ensure access to this drug.

Following our successful ‘Keep Kadcyla’ campaign, including a petition gathering over 115,000 signatures for England, Kadcyla was approved for routine use on the NHS in England and Wales in June 2017.

In Scotland, the campaign led to the Scottish Medicines Consortium agreeing to make the drug available on the NHS in Scotland for the first time in April 2017. The campaign’s petition, driven by four amazing women with incurable secondary breast cancer, secured over 13,000 signatures in just six days and resulted in front page news coverage in Scotland largest circulation daily paper.

The Department of Health in Northern Ireland is now reviewing whether it should also be available there. Our petition in England was highlighted by NICE when it announced the decision, and our campaign in Scotland was nominated for the ‘Cracking Campaign’ at the Scottish Charity

Awards. This is a major victory as we have been working on securing access to Kadcyla for a number of years.



Our campaign to make Kadcyla available on the NHS in Scotland was front page news.

We also mobilised supporters to call on NICE and Pfizer to consider every possible solution to ensure that palbociclib could be made available on the NHS, following its provisional rejection by NICE in February 2017. Pfizer launched a patient programme in April that offered they would make palbociclib free to patients being treated on the NHS across the UK until NICE concludes its appraisal, which is ongoing.

We have used our work on these drugs to highlight the need for reform to the way that drugs are appraised and funded. In December 2016, the Scottish Government made commitments to reform the drugs appraisal system in Scotland. Through our influencing work we secured significant changes to the system. Thanks to our campaigners the way the system engages with drug companies will be smarter and decision making will be more flexible.



More than 115,000 amazing people like Bonnie signed our #KeepKadcyla petition, which led to the life-extending drug approved for routine use on the NHS in England and Wales.

Decisions to give patients drugs not available on the NHS will also be fairer with a whole new system promised to address potential inequalities in access.

We inputted to NICE appraisals for a number of other drugs including Perjeta for neoadjuvant use in early breast cancer, everolimus and eribulin, all of which were recommended for routine use on the NHS; and Perjeta for metastatic breast cancer, ribociclib and fulvestrant for which appraisals are ongoing.

We also worked with a number of other healthcare charities to campaign against the introduction of the budget impact test by NICE and NHS England, which could delay the introduction of drugs deemed cost-effective by NICE for up to three years if they will cost the NHS more than £20 million a year. Whilst this policy was implemented, we have used this as a way to discuss the need for reform to the way that drugs are appraised and funded with key stakeholders, including at NICE and NHS England.

We will improve the quality of healthcare and support for secondary breast cancer patients, making sure their needs are met.

This year, our online guide to secondary breast cancer, a personalised resource for people affected by secondary breast cancer within the UK, which explains clearly and compassionately what patients can and should expect from their treatment and care, has been viewed over 67,000 times.

Breast Cancer Now provide the secretariat for The Symptom Management Working Group, which was established in 2013 as a subgroup of the NCRI Breast Cancer Clinical Studies Group. The group was established in response to a patient identified need for more research to be instigated into the symptoms affecting women with breast cancer, such as the impact of hot flushes, night sweats and sexual difficulties.





Collaboration and innovation

The time has come to develop a more agile response to breast cancer. In order to get ahead of this complex disease, we must work in new, collaborative ways. Our impact relies on our ability to translate our work into tangible benefits for those affected by breast cancer.

Our aims and results in 2016/17:

We will actively seek out new partnerships and collaborations to radically speed up critical research into all aspects of the disease.

This year, we continued our work with Pfizer on the Breast Cancer Now Catalyst Programme, an exciting initiative bringing together leading researchers, pharmaceutical companies and funding bodies to accelerate the development of treatments and secure better outcomes for patients. During the year we awarded over £2 million funding for eight translational research projects through the Catalyst Programme, all of which are also granted access to existing and experimental drugs in Pfizer's oncology portfolio. This included projects aiming to tackle the spread of breast cancer to bones, triple negative breast cancer, and lobular breast cancer – forms of the disease which are all in great need of new treatment options.

We will work in partnership and collaboration with other organisations, researchers and healthcare professionals to promote improvements in treatment and care.

We have led the Common Cancers Coalition to continuously raise concerns about issues of mutual interest for the four most common cancers (breast, bowel, lung and prostate) to key stakeholders such as MPs and NHS Arm's Length Bodies, and to report on progress on the Cancer Strategy in England.

We represent the Coalition on the National Cancer Advisory Group (NCAG), directly feeding in the concerns of those affected by the most common cancers at the meetings and in coordinating the Coalition's input to the NCAG annual report published in October 2016. We also represented the Coalition and provided the patient voice on NHS England's Commissioning, Accountability and Provisions Oversight Group until its dissolution in July 2017. Through the Common Cancers Coalition we have also sought partnerships with others with mutual concerns, such as the Medical Royal Colleges and other charities, and will be pursuing joint work with these organisations going forward.

We also provide the secretariat to the Breast Cancer Clinical Expert Group (CEG) and have been instrumental in drafting Commissioning Guidance for Breast Cancer which is due to be published in 2017/18.

This Guidance gives a summary of the best current practice to diagnose and treat breast cancer and is provided to support the commissioning of clinical breast cancer

services at national and local level. This is important for patients as it intends to inform best practice so that all breast cancer units in the country will be performing to deliver the highest quality of care. Breast Cancer Now sit on the CEG and provide its Secretariat.

We will ensure all of our work is informed by people affected by breast cancer and use their experiences and concerns to create change by keeping the disease at the top of the agenda.

Our campaigns are based on patients' experiences. Working with patients affected by the issues, we used these experiences to put together a narrative that appealed to supporters around the '43p a day' campaign on bisphosphonates and the 'Keep Kadcylla' campaign.

We make sure patient voice is always present at influential meetings and events in order to enable patients to make the case for change. Examples of this include the Kadcylla petition handover, the Kadcylla debate and tea, the APPGBC meeting with NICE and pharmaceutical companies, the Britain Against Cancer conference, the Wales Cancer Alliance event in the Senedd, and the Patient Voices event with Target Ovarian Cancer. In Scotland, our campaign was driven by four amazing women with secondary breast cancer, and improved the treatment options for HER2 positive secondary breast cancer.

Our annual campaigner survey ensures we are campaigning on the issues our supporters care about most and helps us to understand what other issues they are concerned with. It also

examines the nature of our communications and has helped us to change our ways of working with supporters to help inspire them to create change.

Patients also feed heavily into our policy work. We held focus groups to feed into our ongoing investigations into geographical inequalities on behalf of the APPGBC, and patients – particularly members of the Insight Panel – have helped us to gain insight for NICE consultation responses.

During the year we commissioned the Big Breast Cancer Conversation, a new and important project for Breast Cancer Now. People affected by breast cancer are at heart of this work so we can ensure we are always relevant, inspiring and listening to our beneficiaries and supporters. We wanted to understand more about how people feel based on their experiences of breast cancer – whether they are living with breast cancer now, or have previously, or if they have a friend or a loved one affected by the disease. It is vital that we listen to their views and experiences so we can develop and deliver plans that ensure by 2050 everyone who develops breast cancer will live – and live well.

This work has already informed our organisational strategy and we are developing a new piece of insight which is exploring understanding of what it means to 'Live Well' following a breast cancer diagnosis, which will inform our charitable work in the years to come.

Over the year we have also worked with 17 people affected by or at risk of breast cancer to ensure our health information and public health campaigns are relevant and clear.

Julie is saving lives

Meet Julie. She's living with secondary breast cancer. Research is her hope.

Julie was diagnosed with breast cancer in 2012. Aged just 41, she went through six rounds of gruelling chemo and radiotherapy. But despite all the treatment, less than 18 months later, doctors found Julie's cancer had spread to her liver, lungs and bones – what's known as secondary breast cancer – and had become incurable.

"Research has allowed me to have a good quality of life and be an active mum with my kids. I grasp each day and hope that science and research will come along and help me, that's what I wait for."

"I don't know how long I'll have left with my family."

When she's not out being an adventurous mum with her two kids, Julie is helping to save lives and make sure women like her get precious extra time to live.

"There's a real problem with people not being able to be given the drugs they need to help them live better and longer with secondary breast cancer. So, whether it's signing a petition or writing to my MP, I support Breast Cancer Now's campaigning work because it makes sure people like me get the treatments that research worked so hard to discover."



Through our research we're determined to find the answers we need to prevent breast cancer, detect it earlier, treat it better and stop it spreading to other parts of the body and taking lives.

And we're campaigning to make sure the research breakthroughs we make in the labs reach the patients who so desperately need them.



What does the future look like? Our next steps...

This year, we developed our five-year strategy designed to take us towards our vision where, by 2050, we want everyone who develops breast cancer to live – and live well.

We have focused our work around three long-term goals, so we can:



Prevent breast cancer



Stop deaths from breast cancer



Improve the lives of those affected by breast cancer

To help us reach our goals there are five strategic objectives which set out the challenges we must overcome if we are to stop women dying from breast cancer.

1. Reduce the incidence of breast cancer by ensuring evidence of the causes and risks of the disease are used to create effective personalised prevention strategies.
2. Increase breast cancer survival and improve patient experience by investing in work which is closer to patients, particularly the prevention and treatment of secondary breast cancer.
3. Work with breast cancer healthcare professionals to translate scientific knowledge into best possible practice to prevent, detect and treat breast cancer more effectively.

4. Increase our brand awareness, influence and income by understanding, prioritising and better engaging with our audiences.
5. Grow an innovative, flexible, efficient and effective charity which harnesses the talent and commitment of staff and supporters and is built on good governance and a sound business infrastructure.

Financial review

Two years on from the merger of Breast Cancer Campaign and Breakthrough Breast Cancer we are demonstrating that by uniting to stop breast cancer taking lives, we are already having a truly positive impact for people affected by the disease across the UK.

This report reflects the second full year of activities of the charity Breast Cancer Now. On 31 March 2015, Breakthrough Breast Cancer and Breast Cancer Campaign merged to form Breast Cancer Now. The cost base of the organisation has been significantly reduced since merger, with support costs dropping £2.8 million (48%) and the direct costs of delivering charitable activities dropping £1.3 million (28%).

Income

During the year, total income was £28.3 million with the main sources of income continuing to be individual giving and corporate partnerships. Income from charitable activities increased due to royalties generated from intellectual property from Breast Cancer Now-funded research activities.

We continued to receive exceptional support from corporate partners with total income from companies being over £10 million. Many of our corporate partners' customers are women and through the partnerships we are also able to spread breast health messages to their customers as well as fundraise. Our flagship partnerships with Asda (£2.6 million) and M&S (£2.8 million) both continued to perform strongly. Both companies played a key role, along with other

partners such as Debenhams and Topshop, in growing income from our retail campaign Fashion Targets Breast Cancer to over £0.96 million, £100,000 up on the previous year. Our new partnership with EDF Energy generated a fantastic £180,000 in its first year.

This was the first year of awarding grants under our landmark Breast Cancer Now Catalyst Programme. We received income of £2.7 million from Pfizer in 2016/17 in relation to this programme which involves awarding grants to recipient organisations to carry out research in line with the Catalyst Programme.

Over 2,000 people ran, cycled, trekked or jumped out of planes for us, raising £2 million. Our Virgin Money London Marathon team of 230 runners raised over £580,000. Our Prudential Ridelondon team of 215 cyclists raised over £175,000. Our partnership with 18 student RAGs raised over £460,000, making us one of the leading student fundraising charities. Our community supporters raised £2 million from cake sales, quiz nights, gala balls and a huge range of other activities. Our 63 local groups raised vital funds and helped promote our breast cancer awareness messages.

Over 50,000 individuals generously supported us through regular direct debit, cash or lottery donations. Their committed support enables us to plan for the future and provide the continued funding which is so important to the scientists we work with. Wear it Pink, our fundraising mass participation event where people dress up in pink at work, home or school, raised over £1.2 million.

Once again, we were hugely fortunate to benefit from the fantastic support of Walk the Walk and the thousands of walkers who took part in one of Walk the Walk's challenge events. Walk the Walk's outstanding grant of £1,824,945

enabled us to fund crucial research. We remain enormously grateful to the Mary-Jean Mitchell Green Foundation for their continued support for Professor Nick Turner. Secondary 1st also gave generous support of £75,000 towards our research.

Our Special Events programme had another successful year, with our volunteer committees holding Pink Ribbon Balls in London and Manchester raising over £350,000.

Over the coming year, we will be continuing to put in place plans to provide the growing and sustainable income base the charity needs to deliver its vision.

Expenditure on fundraising during the year declined from £13.2 million to £10.8 million (18%) due to efficiencies delivered from a review of the Fundraising Department's activities. Fundraising costs include communications costs relating to fundraising activity.

Charitable expenditure

Charitable expenditure, which includes all activities relating to research, policy and campaigning, and public health and information, increased from £18.2 million to £19.1 million (5%). This increase in investment in our charitable work includes an increase in research grants in the year, from £13.1 million to £14.6 million.

The generous grant received from Walk the Walk allowed us to fund the following crucial research in 2016/17: Targeting Triple Negative Breast Cancer (led by Professor Andrew Tutt), Molecular Changes within Cancer Cells (led by Professor Mitch Dowsett), How Breast Cancer Cells Spread (led by Professor Clare Isacke) and Identifying Weaknesses in Breast Cancer Cells (led by Professor Spiros Linardopoulos).

Reserves

The Charity holds reserves to provide funding for future research commitments and a contingency against unforeseen operational cost pressures or reduction in income. Each year, the Trustees review reserves levels in light of the year ahead to ensure there are adequate funds to support the organisation. The minimum reserves for the organisation are calculated as adequate reserves to cover between three and six months' recurrent expenditure. The unrestricted reserves as at 31 July 2017 exceeded this minimum reserves level.

Reserves are held in two types:

- Restricted funds arise as a result of the donor making a specific stipulation as to how the funds may be used. This is often relating to a specific activity or grant that may fall over a number of years and therefore the balance carried forward at the year end is committed for those activities. Restricted funds stood at £1 million at the year end.
- Unrestricted funds arise when no stipulation is made by the donor. The Trustees are responsible for ensuring these funds are spent in line with the Charity's objectives in a timely fashion. Unrestricted funds excluding those held in intangible and tangible fixed assets of £1.3 million stood at £8.5 million at the year end. The minimum reserves level has been calculated taking into account the different risk factors that the organisation faces. During the year, the Trustees considered that a sufficient level of reserves for the organisation would be a minimum of three months' operating costs. The current reserves position is in line with policy. Total funds at the year end were £10.7 million.

Financial statements

The Charity's consolidated financial statements are set out on pages 50 to 68, including the results of the Charity's subsidiaries. The financial results of the Charity's regional groups are included within the consolidated results, as they operate within the same charity registration and are governed by Breast Cancer Now's regional group constitution.

Subsidiary Trading Companies

The Charity has seven trading subsidiaries which, together with the Charity make the Group. The subsidiaries are detailed in note 13 of the financial statements along with their results for the year. The companies are all wholly owned subsidiaries, except for Pink Ribbon Ltd, which is jointly owned with Breast Cancer Care. Five of the subsidiaries are currently dormant, and there are two active subsidiaries; BCN Trading and BCN Research Ltd. BCN Trading carries out activities such as sublicensing the Charity's logo and the Fashion Targets Breast Cancer logo to commercial partners and delivering certain charitable partnerships. BCN Research Ltd delivers the Breast Cancer Now Catalyst Programme.

The subsidiaries transfer any profits to the Charity under the Gift Aid scheme and their financial statements are consolidated into those of the Charity.

Going concern

The Trustees have reviewed the Charity's financial position, taking into account the current performance of the organisation and the satisfactory level of reserves and cash at the year end. They have considered the future plans of the organisation, along with internal processes and systems for managing financial and operational risks.

In the short to medium term the Charity is intending to reduce the net expenditure, transitioning to a net income position, whilst maintaining throughout a level of reserves within the level of the reserves policy.

As a result, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources and infrastructure to continue operating for the foreseeable future. Therefore, the Trustees continue to adopt the going concern basis of accounting in the preparation of the annual accounts.

Grants

Breast Cancer Now funds research of the highest quality. We support the scientific community across the UK through multiple funding mechanisms, through our Tissue Bank and by supporting conferences and training courses.

Some of our funding supports centres of excellence (long-term research programmes), as we have taken a strategic decision to build a critical mass of research in a small number of locations. These are based in higher education institutions and close to hospitals and breast units, working under one roof in integrated, multidisciplinary programmes of research. The prime example of this is our Breast Cancer Now Toby Robins Research Centre in London, where more than 130 researchers are examining and collaborating on many different aspects of breast cancer research.

We also run an open grant funding scheme (Response Mode funding), which supports all types of breast cancer research across the UK and Ireland from basic, translational and clinical to psychosocial research. This scheme is also the route by which we fund Fellowships and PhD students. This allows us to build a talent pool to

ensure that the capacity for future breast cancer research in the UK remains strong.

All our new research funding undergoes thorough peer-review, performed by independent, active experts from around the world. Our peer-review process follows best-practice guidelines, as required by our membership of the Association of Medical Research Charities (AMRC) and for our funding to meet the regulations of the Charity Research Support Fund (CRSF).

Breast Cancer Now's governance structure is designed to ensure that the funding decisions made by the Board of Trustees are informed by sound and independent advice from national and international expert scientists and clinicians.

We fund Response Mode projects at any research institution in the UK and Ireland. Applications for Response Mode funding are reviewed by our Scientific Advisory Board (SAB) who advise the Board of Trustees what to fund.

For our long-term research programmes, we have a Science Strategy Committee (SSC) who commission quinquennial reviews of our Research Centre, Research Units and Research Programmes. The Science Strategy Committee then advises the Board of Trustees on the funding for the long-term research programmes.

All research projects are selected based on the quality of the research, and whether it has the ability to deliver knowledge and advancements in the field of breast cancer.

Investments

Breast Cancer Now holds investments in accordance with the Investment Strategy approved by the Trustees. The Finance and Investment Committee reviews this Investment Strategy on an annual basis.

The Breast Cancer Now investment objective is to maximise the return on its investments in a manner consistent with Breast Cancer Now's overall strategy and values while meeting two requirements:

1. Investing to cover certain short-term spending with adequate liquidity and a shorter-term risk averse profile
2. Investing longer-term reserves consistent with their use for longer-term commitments or as contingency assets.

Breast Cancer Now will not knowingly invest in tobacco companies, directly or indirectly.

The investments are split into four portfolios which are managed by different investment managers; BlackRock, Coutts, Goldman Sachs and M&G. The Finance and Investment Committee consider which are the most appropriate investment managers and as part of this they consider their mandates, targets for performance and their ability to provide the appropriate support, diversification and performance required to achieve the investment strategy.

The financial statements show that the market value of investments as at 31 July 2017 was £17.6 million. The financial statements also show a net investment gain of £1,126,000 (2016: £727,000). This growth represents 7% of the opening investment market value.

Once investment income net of fees is also considered, the growth represents 9% of the opening investment market value. The Finance and Investment Committee does not set a specific target investment return, but considers the return of the investment portfolio during 2016/17 to be in line with the overall investment objectives, and to be in line with overall market performance.

Governance, structure and management

The Board of Trustees of Breast Cancer Now presents its annual report and accounts for the year ended 31 July 2017. These comply with the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006, Breast Cancer Now's governing document the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Status

Breast Cancer Now is a company limited by guarantee, governed by Articles of Association, registered in England and Wales (number 9347608) and registered as a charity in England and Wales (number 1160558), Scotland (SC045584) and Isle of Man (number 1200). The Trustees listed on page 41 are also the Charity's Directors and have overall responsibility for the strategic direction and effective governance of the Charity. The Trustees met regularly during the year. The legal and administrative details are listed on page 69.

Objects

The Charity's objects are to:

- Advance health, including the health of individuals suffering from cancer, patients receiving treatment, those convalescing following treatment by:
 - promoting activities which will assist with awareness, identification and prevention of cancer;
 - assisting those individuals who are disabled, infirm or in need of assistance;
- Advance the health of individuals by undertaking research into the causes and

treatment of cancer on terms that the results of such research are published

- Advance public education in and understanding of the nature of cancer and its treatments, particularly (without prejudice to that generality) among sufferers of cancer and the families, friends and carers of such persons
- Promote such charitable objects concerned with medical research or the relief of sickness as the Directors shall in their absolute discretion determine.

Trustee recruitment, appointment, induction and training

Our Trustees are recruited using a range of methods including direct advertising, recruitment agency/consultancy and networks to ensure we attract a diverse range of applicants with appropriate skills, knowledge and experience.

A Trustee recruitment pack is provided to potential candidates with information about the Charity and the role, including our requirements, expectations, time commitments and the selection process. A thorough selection process is undertaken with interviews with the Chair of Trustees, Chief Executive and other delegated Trustees.

Trustees are appointed, by the Board, for an initial period of three years that can be extended for a further three-year term. A further one-, two- or three-year term can be agreed between the individual and the chairperson, or three other directors if deemed to be in the Charity's best interest.

Trustees contribute their services voluntarily and upon appointment will participate in a formal induction programme, including attendance at Breast Cancer Now events, visits to our offices and tours of our research units.

A skills audit of the Board is performed periodically to ensure the appropriate range of skills and expertise, including in areas of scientific knowledge, organisational strategy and management.

Board of Trustees

Members of the Board during the year were:

Professor Lynne Berry^{1,3} **Chair**

Professor Trevor J Powles⁴ **Vice Chair**

Caroline Mawhood CPFA^{1,3} **Honorary Treasurer**
(resigned 29 September 2016)

Pascale Alvanitakis-Guely¹

Dr Veronique Bouchet⁴
(resigned 30 June 2017)

Professor Robert Coleman⁴

Christopher Copeland
(appointed 2 October 2017)

Elizabeth Doogan-Hobbs¹
(resigned 29 September 2016)

Professor Gareth Evans⁴
(resigned 17 July 2017)

Susan Gallone^{1,2,3}
(appointed 29 September 2016)

Professor Adrian L Harris⁴

Susan Johnson²

Ruth Plowden⁴
(resigned 3 April 2017)

Ann Pickering
(appointed 2 October 2017)

Laura Simons^{2,3}

Professor Hilary Thomas^{3,4}
(resigned 29 September 2016)

¹member of the finance and investment committee

²member of the risk and internal audit committee

³member of the remunerations, appointments and nominations committee

⁴member of the science strategy committee

Chief Executive and management

Day to day management of the Charity is delegated to the Chief Executive assisted by the Executive Leadership Team, other staff and volunteers. The Board approves the delegation of financial authority through the Chief Executive to the staff with specific limits imposed within an approved scheme of delegation.

Executive Leadership Team

Delyth Morgan (Chief Executive)

Mary Allison (Director for Scotland)
(resigned 29 September 2017)

Fiona Hazell (Director of Communications and Engagement)

Polly McGivern (Director of Finance and Corporate Services)
(in office to 29 September 2017)

Barry Aspland (Interim Director of Finance and Corporate Services)
(in office from 18 September 2017)

Catherine Miles (Director of Fundraising)

Dr Simon Vincent (Interim Director of Research)

During the year the Executive Leadership Team (ELT) were regarded as the Charity's key management personnel per FRS102. Total earnings, including pension contributions, received by members of ELT during the year were £623,000. The Chief Executive, the highest paid member of staff, received a salary of £117,160 for the year.

Staff Employee reward

In 2016/17, Breast Cancer Now employed 156 staff, but we rely on our entire workforce, including: staff, researchers, supporters, volunteers and trustees to do the work we do.

Our Remuneration, Appointments and Nominations Committee agrees and monitors

Governance, structure and management

Breast Cancer Now's reward strategy, pay and benefits policies and annual pay review process, all of which determine how pay levels are decided. We are committed to equality in our pay and benefits policy, and aim to ensure that our levels of pay reflect the knowledge, skills, experience and competencies of our staff.

We aim to pay salaries at the median level of the voluntary sector, and we regularly use salary survey data to check that our pay remains in line with the market we operate in. The Committee approves the annual pay review process, which is determined partly by average pay awards across the sector, and partly by the Charity's financial performance to fund an annual cost of living increase.

Executive pay is governed by the same rules and review processes as for all other staff, and we offer the same level of benefits to the executive team as to the rest of our staff. Jobs are evaluated and graded into a framework with pay bands that are transparent and published to all staff.

Trustees freely give their time and do not receive payment for the work they do, other than travel expenses.

Information

We share important and relevant information with our staff through our intranet, team briefings and informal monthly face-to-face meetings to update staff on important news, achievements and upcoming events. We carry out an annual all-staff opinion survey to gather staff feedback and use focus groups, workshops and smaller surveys to engage staff in our work.

Equality

Breast Cancer Now acknowledges that everyone is unique with individual skills, knowledge and life

experiences and everyone can make a valuable and positive contribution to the aims, values and strategic goals of the charity. We recognise the benefits of employing and engaging with individuals from all backgrounds and community groups as this helps build a workforce and business where creativity and valuing difference in others thrives.

We are committed to a policy that ensures all current and potential staff members and volunteers are offered the same opportunities regardless of their sex, sexual orientation, age, disability, gender status (in cases of gender re-assignment), pregnancy and maternity status, marital status, race and religion and belief (protected characteristics) and membership of or activities as part of a trade union, or social or economic status.

Fundraising ethos

Breast Cancer Now aims to build strong, respectful and empowering relationships with our financial supporters. It is only through the generosity of individuals, companies and organisations that we are able to fund the research which will stop people dying from breast cancer.

We believe people should feel inspired to give to or raise money for Breast Cancer Now, feel valued and respected by the Charity and understand the life-saving difference their support makes. People should never feel harassed or pressured to give. The following principles guide our fundraising strategy and operations:

- We aim to inspire people to give or raise money for Breast Cancer Now
- We thank supporters appropriately and demonstrate the difference their money makes
- We keep supporters' data secure and do not

- sell or share it for marketing purposes
- We manage agencies working for us closely and demand high standards of them to ensure supporters and the wider public do not feel pressured to give and are treated with respect at all times
- We listen to supporters and act on their communication requests
- We have developed a Vulnerable Persons' Policy, which our fundraising staff and agencies working on our behalf are required to adhere to, to ensure we fundraise appropriately and vulnerable people are respected and protected

We endeavour to build long-term relationships with our supporters, enabling them to support the Charity in all the different ways they choose. In turn, we know that for our supporters their charitable giving is an important and positive part of their lives.

Breast Cancer Now employs a number of carefully selected professional fundraising agencies to solicit donations on our behalf by door to door, private site and telephone and SMS channels. We manage our agencies closely and require them to be compliant with the Fundraising Regulator's Code of Fundraising Practice and all regulations governing charity fundraising. To ensure the agencies we engage are operating to the required standards, we carry out appropriate monitoring which includes one or more of the following as appropriate: shadowing individual fundraisers, mystery shopping and caller monitoring.

Breast Cancer Now is registered with the Fundraising Regulator and has paid the levy and adheres to the Code of Fundraising Practice. Breast Cancer Now fully complies with the requirements of the Fundraising Preference Service.

During 2016/17 Breast Cancer Now received 154 complaints from over 7.6 million fundraising communications and interactions. This compared to 304 complaints in 2015/16. Complaints are investigated thoroughly and corrective action taken as appropriate.

Breast Cancer Now's fundraising activities and compliance with fundraising regulations and best practice are closely scrutinised by our Risk and Internal Audit Committee, which in turn reports to our Board of Trustees.

Advisory boards and committees

Finance and Investment Committee

Following a governance review during the year the Finance and Investment Committees were combined into a single Committee. The new Committee is responsible for advising the Board on short- and long-term financial planning, including review of financial plans, budgets and proposals, as well as playing a governance role with the review of financial policies, processes and controls and advising on the appointment of external auditors. The Committee also recommends the investment strategy to the Board for approval and oversees the management and performance of investments. The Finance and Investment Committee met five times during the year.

Risk and Internal Audit Committee

The Risk and Internal Audit Committee set the risk management process and ensure that strategic risks are identified, reported to the Board and where necessary, highlighted to other committees, such as the finance and investment committees. The Committee ensures that risk priorities and relevant actions are highlighted to the Executive Leadership Team for further action by their directorates. The Committee also

oversees any internal audit programme and ensures recommendations are implemented. The Risk and Internal Audit Committee met three times during the year.

Remuneration, Appointments and Nominations Committee

The Remuneration, Appointments and Nominations Committee has delegated responsibility from the Board for pay levels and performance appraisal methods across the organisation and appointment of Trustees, Fellows and Senior Executives including the Chief Executive. The Remuneration, Appointments and Nominations Committee met three times during the year.

Science Strategy Committee

The Science Strategy Committee is responsible for making recommendations to the Board as to which research projects should be funded and plays a key role in ensuring our research delivers our strategic aims. The Science Strategy Committee met three times during the year.

Chairs' Committee

The Chairs' Committee was established during the year to enable decisions to be made between Board meetings on behalf of the Trustees where the decisions are of sufficient urgency that it would be detrimental to wait until the next Board meeting. There was no requirement for the Chairs' Committee to meet during the year.

Risk

The Trustees reviewed Breast Cancer Now's key risks and are satisfied that risk management has been undertaken appropriately and that adequate systems were in place to manage risk.

The Executive Leadership Team are responsible for the day-to-day risk management and ensuring that each directorate is aware of, and appropriately manages, their risks. The risk register was reviewed by the Risk and Internal Audit Committee during the period.

The key risks facing the Charity in the year ahead and mitigations to manage them are in the table on the following page.

| Risks | Mitigations |
|---|--|
| Attracting, developing and maintaining a skilled staff team to deliver our ambitious objectives and ensuring we are an employer of choice within the sector. | Continued investment in staff training and development including new management and leadership training; a review of staff pay and benefits to ensure competitive but appropriate pay levels; continuing our wellbeing at work programme. |
| Changes in relevant policy, spending and practice, in particular in relation to the Charity's research portfolio. | Regular monitoring of the UK policy landscape and research environment. Addressed through our influencing work including membership of relevant bodies and groups focused on research and health policy and practice across the UK. This includes groups established to assess and manage the impact of Brexit on medical research. |
| Developing strong brand awareness and reputation and a suitably diversified and competitive income stream, to ensure a stable foundation, in light of a challenging fundraising environment. | Ongoing investment in building awareness and understanding of the Charity and its work alongside a broad portfolio of income streams for the short- and longer-term. |
| Effectively managing activity and events connected to the Charity that could impact reputation, trust or operations including issues relating to data security breaches, fundraising practices or the integrity of our research work. | Independent, external peer review processes to ensure scientific excellence of our research which passed the AMRC's 2015 audit; evidence-based policy and communications work, informed by and developed with patients. All health information carries NHS England's Information Standard accreditation. Ongoing improvements made to data protection policies and practices, crisis management processes and IT security throughout the year. Regular review of our fundraising practices and agencies to ensure up-to-date compliance and best practice, including compliance with General Data Protection Regulation (GDPR). Membership of the relevant fundraising bodies and working groups across the UK. We are registered with the Fundraising Regulator and have paid the requested levy. |

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Breast Cancer Now for the purposes of company law) are responsible for preparing the Trustees' Report, including the Strategic Report, and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

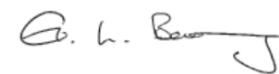
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.



Professor Lynne Berry, Chair of Trustees

This report was approved by the Board of Trustees on 11 December 2017 and signed on its behalf.

Independent Auditor's Report to the Members and Trustees of Breast Cancer Now

Report on the audit of the financial statements

Opinion

In our opinion, Breast Cancer Now's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the group's and of the parent charitable company's affairs as at 31 July 2017 and of the group's outgoing resources and application of resources, including its income and expenditure and of the group's cash flows for the year period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the group and charity balance sheets as at 31 July 2017; the consolidated statement of financial activities (incorporating an income and expenditure account); the consolidated cash flow statement for the year then ended and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 and ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees' Report

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

Trustees' Report for the year ended 31 July 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Report.

Responsibilities for the financial statements and the audit**Responsibilities of the Trustee for the financial statements**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they 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 charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44 (1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jill Halford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

11 December 2017

Financial statements and notes 2016-17

Consolidated Statement of financial activities

(incorporating an income and expenditure account)
For the year ended 31 July 2017

| | Note | Unrestricted Funds £000 | Restricted Funds £000 | Total 2017 Funds £000 | Total 2016 Funds £000 |
|--|------|----------------------------|--------------------------|--------------------------|--------------------------|
| Income from: | | | | | |
| Donations and legacies | 2 | 17,481 | 5,694 | 23,175 | 22,840 |
| Income from charitable activities | | 894 | - | 894 | 604 |
| Income from other trading activities | 3 | 2,618 | 1,272 | 3,890 | 3,790 |
| Income from investments | | 359 | - | 359 | 382 |
| Total income | | 21,352 | 6,966 | 28,318 | 27,616 |
| Expenditure on raising funds | | | | | |
| | 4 | 10,815 | - | 10,815 | 13,172 |
| Expenditure on charitable activities | | | | | |
| Merger costs | 18 | - | - | - | 287 |
| Total expenditure | | 24,095 | 5,814 | 29,909 | 31,702 |
| Net realised investment gain/ (loss) | | 33 | - | 33 | (203) |
| Net unrealised investment gain | | 1,093 | - | 1,093 | 930 |
| Total net investment gain | | 1,126 | - | 1,126 | 727 |
| Net (expenditure)/ income | | (1,617) | 1,152 | (465) | (3,359) |
| Transfers between funds | 19 | 1,328 | (1,328) | - | - |
| Tax expense | | - | - | - | (190) |
| Net movement in funds | | (289) | (176) | (465) | (3,549) |
| Funds brought forward | | 9,850 | 1,171 | 11,021 | 14,262 |
| Tax credit on distribution of prior year profits | | 190 | - | 190 | 308 |
| Funds carried forward | | 9,751 | 995 | 10,746 | 11,021 |

The 2016 funds brought forward of £14,262,000 are made up of unrestricted funds of £13,399,000 and restricted funds of £863,000. For further details, please see the full comparative Statement of Financial Activities provided in Note 25.

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the consolidated statement of financial activities. There are no material differences between the net income for the financial year and the historical cost equivalents.

Balance sheets

as at 31 July 2017

| | Note | Group 2017 £000 | Group 2016 £000 | Charity 2017 £000 | Charity 2016 £000 |
|---|------|-----------------------|-----------------------|-------------------------|-------------------------|
| Fixed assets | | | | | |
| Intangible assets | 9 | 292 | 279 | 292 | 279 |
| Tangible assets | 10 | 982 | 1,162 | 982 | 1,162 |
| Investments | 11 | 17,577 | 16,201 | 17,577 | 16,201 |
| Total Fixed assets | | 18,851 | 17,642 | 18,851 | 17,642 |
| Current assets | | | | | |
| Current investments | 12 | 49 | 77 | 49 | 77 |
| Debtors | 14 | 6,867 | 6,952 | 6,713 | 6,788 |
| Cash at bank and in hand | | 4,968 | 5,921 | 1,684 | 1,562 |
| Total Current Assets | | 11,884 | 12,950 | 8,446 | 8,427 |
| Creditors: amounts falling due within one year | 15 | (13,318) | (12,942) | (11,700) | (9,196) |
| Net current (liabilities)/ assets | | (1,434) | 8 | (3,254) | (769) |
| Total assets less current liabilities | | 17,417 | 17,650 | 15,597 | 16,873 |
| Creditors: amounts falling due after more than one year | 16 | (6,671) | (6,629) | (4,891) | (6,629) |
| Net assets | | 10,746 | 11,021 | 10,706 | 10,244 |
| Unrestricted Funds | 19 | 9,751 | 9,850 | 9,711 | 9,073 |
| Restricted Funds | 19 | 995 | 1,171 | 995 | 1,171 |
| Total Funds | | 10,746 | 11,021 | 10,706 | 10,244 |

The notes on pages 50 to 68 form part of these financial statements.
The financial statements were approved by the Board of Trustees and authorised for issue on 11 December 2017 and were signed on its behalf by:



Professor Gwenda Lynne Berry
Trustee

Consolidated cash flow statement

For the year ended 31 July 2017

| | Note | £000 | Group 2017 £000 | £000 | Group 2016 £000 |
|--|------|-------|-----------------------|-------|-----------------------|
| Cash flows from from operating activities: | | | | | |
| Net cash used in operating activities | a | | (789) | | (5,399) |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 74 | | 63 | |
| Purchase of tangible fixed assets | | (129) | | (271) | |
| Purchase of intangible fixed assets | | (137) | | (162) | |
| Proceeds from sale of investments | | - | | 5,787 | |
| Net cash (used in) investing activities | | | (192) | | 5,417 |
| Change in cash in the reporting period | | | (981) | | 18 |
| Cash at the beginning of the reporting period | | | 5,998 | | 5,980 |
| Cash at the end of the reporting period | b | | 5,017 | | 5,998 |
| (a) reconciliation of net incoming resources to net cash flow from operating activities | | | | | |
| Net expenditure for the reporting period (as per the Statement of Financial Activities) | | | (465) | | (3,359) |
| Depreciation and amortisation | | | 433 | | 333 |
| Write back of provision (current asset investments) | | | (34) | | (22) |
| Realised (gains)/ losses on investments | | | (33) | | 225 |
| Unrealised gains on investments | | | (1,093) | | (930) |
| Dividends, interest and rents from investments | | | (359) | | (382) |
| Investment fees deducted from portfolio | | | 69 | | 63 |
| Decrease/(increase) in debtors | | | 85 | | (3,255) |
| Increase in creditors | | | 418 | | 1,928 |
| Tax credit | | | 190 | | - |
| Net cash used in operating activities | | | (789) | | (5,399) |
| (b) Analysis of cash and cash equivalents | | | | | |
| Cash in hand | | | 2,968 | | 2,721 |
| Notice deposits (less than 3 months) | | | 2,000 | | 3,200 |
| Long-term deposits | | | 49 | | 77 |
| Total cash and cash equivalents | | | 5,017 | | 5,998 |

Notes to the financial statements

For the year ended 31 July 2017

1. Accounting policies

Charity information

Breast Cancer Now is a Public Benefit Entity which was incorporated on 9 December 2014 and is registered in England and Wales (company number 09347608) and in the Isle of Man (company number 6021F). It was registered as a charity on 18 February 2015 with the Charity Commission in England and Wales (charity number 1160558), in Scotland (charity number SC045584) and the Isle of Man (charity number 1200).

Basis of preparation

These financial statements are prepared under the historical cost convention, as modified by the inclusion of investments at fair value and in accordance with Financial Reporting Standard 102 ('FRS 102') - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2015 ('the SORP 2015'), together with the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The functional currency of the Group and Charity is considered to be GBP because that is the currency of the primary economic environment in which the Charity operates.

Going concern

Having reviewed the activities and performance of the Group the Trustees have reasonable expectation that the Group has adequate resources to continue its activities for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities.

In the short to medium term the Charity is intending to reduce the net expenditure, transitioning to a net income position, whilst maintaining throughout a level of reserves within the level of the reserves policy.

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates:

*Legacies inherently contain a degree of uncertainty and are recognised in line with the income accounting policy below.

*KSF provision is calculated based on the most recent progress report from the Administrators.

*Holiday pay is not accrued in the accounts on the basis that it is not material.

*Grants payable in more than one year are not discounted in the accounts on the basis that it would result in an immaterial adjustment.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Consolidation

Breast Cancer Now has two active subsidiaries; BCN Trading Ltd (03090884) and BCN Research Ltd (05047652). The Charity also has seven dormant subsidiaries; Breast Cancer Campaign & Breakthrough Breast Cancer (09555271), Breakthrough Enterprises Ltd (02688007), Breakthrough Promotions Limited (03239583), Breast Cancer Campaign Scotland (SC341835), Pink Ribbon Ltd (04690589), Breast Cancer Campaign (05074725) and Breakthrough Breast Cancer (02848982).

The financial statements consolidate the Charity and its trading subsidiaries. The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets. The accounts have been prepared on a line by line basis on the face of the statement of financial activities. The Charity has taken advantage of the exemption from presenting its unconsolidated income and expenditure account under section 408 of Companies Act 2006. The net result of the Charity for the year was a deficit of £0.48m (2016: deficit £2.43m). Income for the Charity for the year was £25.42m (2016: £27.97), expenditure for the Charity for the year was £27.03m (2016: £31.53m) and investment gains for the Charity for the year were £1.13m (2016: £0.73m).

Cash flow statement

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a Charity only Cash Flow Statement with the consolidated financial statements.

Funds

The following funds are held by the Charity:

*Unrestricted funds are donations and other income receivable or generated from the objects of the Charity without further specified purpose and are available as general funds.

*Restricted funds arise when conditions are imposed by the donor, or by the specific terms of the appeal, and can only be spent on the activities specified.

The Charity relies heavily on donations and legacies, which fluctuate year on year. In order to continue day-to-day operations the Trustees have identified that a minimum level of unrestricted funds should be maintained. This minimum level of funds is kept under annual review by the Trustees in line with the reserves policy as described in the Trustees report (page 37).

Income

Income is accounted for and included in the SOFA when the Group is entitled to the income, receipt can be quantified and receipt is probable. Income is deferred when it relates to future accounting periods.

Donations

Donations are recognised upon receipt along with any related gift aid. Donations which have been collected by a third party but not yet passed to the Charity are accrued based on the date of collection.

Legacies

Legacies are taken into account when capable of financial measurement, receipt is probable and where there are no conditions that still need to be fulfilled. Pecuniary legacies are recognised once notification has been received and probate has been granted. Residuary legacies are recognised once notification has been received, probate has been granted and they can be reliably measured, usually on receipt of estate accounts.

Corporate sponsorship and products

Income from corporate sponsorship and products is recognised when it is earned.

Lotteries

Income received in respect of lotteries is recognised when the draw is made. Income received in advance for future lottery draws is deferred until the draw takes place.

Donated goods and services

Donated goods and services are recognised in the accounts when the benefit to Breast Cancer Now is reasonably quantifiable and measurable. The value is the price Breast Cancer Now estimates it would pay should it purchase equivalent goods or services.

Investment income

Investment income is recognised on a receivable basis.

Regional Groups

The income of regional Groups includes all transactions cleared on the regional Group bank statements up to the year-end.

Fundraising events

Income from fundraising events is recognised when the event takes place.

Grants

Grant income is recognised when the funding offer is communicated in writing to the Charity or when performance related conditions are met.

Expenditure

Expenditure is accounted for on an accruals basis and attributed to the appropriate activities within the statement of financial activities.

Expenditure on raising funds include direct staff costs and expenditure relating to all fundraising activities.

Expenditure on charitable activities includes direct staff costs and expenditure relating to charitable activities, as well as research grant expenditure.

Research grants in furtherance of the Charity's objectives are the total amounts granted to external bodies for charitable work. The grants made by the Trustees are recognised in the statement of financial activities in the year the grant is awarded and notified to the recipient, provided a legal or constructive commitment exists and any conditions attaching to the grant have been fulfilled by the recipient.

Costs relating to the sale of goods include the direct costs of purchasing and distributing goods for sale.

Communication and support costs are reviewed and any costs directly relating to our charitable activities have been allocated to the appropriate strategic charitable priority with the remainder being allocated to charitable activities and raising funds based on a combination of headcount and staff time.

Governance costs are the costs incurred to manage the Charity in compliance with constitutional and statutory requirements and are included in support costs.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Taxation

Breast Cancer Now has charitable status and therefore any income and gains are exempt from corporation tax under Section 202 of the Corporation Act 2010 to the extent that they are applied for their charitable objects.

Value Added Tax is only partially recoverable by the Charity and therefore the non-recoverable element is included with the expenditure on which the VAT was charged in the statement of financial activities.

Pensions

Employees are entitled to join the pension scheme provided by Aegon. This is a defined contribution scheme administered by an independent scheme administrator. Scheme funds are independent to the Charity and invested with Aegon, The Charity contributes by matching employee contributions to their personal pension to a maximum of 7% of salary. The cost of providing this pension scheme is charged to the statement of financial activities when it is incurred.

Investments

Fixed asset investments are stated at fair value at the balance sheet date. Any realised or unrealised gains and losses are shown in the statement of financial activities. Gains and losses are calculated with reference to market values as at the beginning of the year or cost if purchased during the year.

Current investments are shown at cost less any provision for expected losses.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value.

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors excluding prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Financial liabilities held at amortised cost comprise all creditors excluding deferred income, social security and other taxes and provisions.

Notes to the financial statements

For the year ended 31 July 2017

Financial instruments (continued)

Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Listed investments are included in the balance sheet at fair value which is closing bid price. Unlisted investments are included in the balance sheet at their fair value. Investments in subsidiary undertakings are held at cost less impairment. All investment gains and losses are included within the statement of financial activities.

At the balance sheet date the Group held financial assets at amortised cost of £11,072k (2016: £10,881k), financial assets at fair value through income or expenditure of £17,577k (2016: £16,201k) and financial liabilities at amortised cost of £18,420k (2016: £15,437k).

Tangible assets

Tangible fixed assets are stated at cost, less depreciation. Assets of under £500 in value are not capitalised but are taken fully as expenditure in the year of purchase.

Tangible assets (continued)

Disposed assets are removed from the fixed asset register on the date of their sale or disposal. Any gain or loss on disposal is included within the statement of financial activities. Depreciation is provided by the straight-line method, calculated to write-off assets over their estimated useful lives at the following rates:

| | |
|-------------------------|-------------------|
| Fixtures and fittings: | over 4 years |
| Leasehold improvements: | over lease period |
| IT hardware: | over 4 years |

Tangible assets are subject to an annual impairment review, and any impairment identified is recognised in the SOFA in the year of the review.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Intangible assets of under £500 in value are not capitalised but are expensed fully in the year of purchase.

Amortisation is calculated using the straight-line method, calculated to write-off assets over their estimated useful lives at the following rate:

| | |
|--------------------------|--------------|
| IT software and website: | over 4 years |
|--------------------------|--------------|

2. Donations and legacies

| | Unrestricted £000 | Restricted £000 | 2017 £000 | 2016 £000 |
|---|----------------------|--------------------|---------------|---------------|
| Trusts and appeals | 171 | 2,246 | 2,417 | 1,079 |
| Donations and legacies from individuals | 12,778 | 623 | 13,401 | 16,108 |
| Corporate donations | 4,532 | 2,285 | 7,357 | 5,641 |
| Other income | - | - | - | 12 |
| Total | 17,481 | 5,694 | 23,175 | 22,840 |

The charity benefits from the services of unpaid volunteers. Donated goods and services included £94,500 (2016: £112,000) of donated goods for auction prizes and £223,000 (2016: £150,000) of advertising space. The donated advertising space is recognised in the Statement of Financial Activities. The net amounts for pecuniary and residuary cases not included in legacy income as at 31 July 2017, but which are classed as a contingent asset total £676,250 (2016: £261,750).

3. Income from other trading activities

| | Unrestricted £000 | Restricted £000 | 2017 £000 | 2016 £000 |
|------------------------------------|----------------------|--------------------|--------------|--------------|
| Events | 238 | - | 238 | 617 |
| Corporate products and sponsorship | 1,413 | 1,272 | 2,685 | 2,381 |
| Other income | 967 | - | 967 | 792 |
| Total | 2,618 | 1,272 | 3,890 | 3,790 |

4. Expenditure on raising funds

| | Direct costs £000 | Support costs £000 | Total 2017 £000 | Total 2016 £000 |
|---|-------------------------|--------------------------|-----------------------|-----------------------|
| Cost of raising funds from donations and legacies | 8,626 | 1,744 | 10,370 | 12,573 |
| Cost of other trading activities | 307 | 64 | 371 | 529 |
| Cost of managing investments | 74 | - | 74 | 70 |
| Total | 9,007 | 1,808 | 10,815 | 13,172 |

5. Expenditure on charitable activities

| | Grants £000 | Direct costs £000 | Support costs £000 | Total 2017 £000 | Total 2016 £000 |
|----------------------------------|----------------|-------------------------|--------------------------|-----------------------|-----------------------|
| 5a. Charitable activities | | | | | |
| Research | 14,628 | 1,602 | 593 | 16,823 | 15,568 |
| Health Information and Policy | - | 1,658 | 613 | 2,271 | 2,675 |
| Total | 14,628 | 3,260 | 1,206 | 19,094 | 18,243 |

| | Total 2017 £000 | Total 2016 £000 |
|--|-----------------------|-----------------------|
|--|-----------------------|-----------------------|

5b. Grants

Grants were made to the following institutions during the year:

| | | |
|---|---------------|---------------|
| Breast Cancer Now Toby Robins Research Centre (ICR) | 8,806 | 9,583 |
| King's College London | 970 | 800 |
| University of Manchester | 957 | 488 |
| University of Sheffield | 598 | 493 |
| University of Leeds | 455 | 290 |
| University of Nottingham | 415 | 384 |
| Queen Mary University of London | 377 | 511 |
| University of Edinburgh | 372 | 102 |
| Royal College of Surgeons in Ireland | 318 | 2 |
| University of Dundee | 199 | 143 |
| University of Oxford | 198 | - |
| Cambridge University Hospitals | 195 | - |
| University of Belfast | 192 | - |
| University of Cambridge | 181 | 17 |
| Other Institutions | 395 | 334 |
| Total | 14,628 | 13,147 |

Notes to the financial statements

For the year ended 31 July 2017

6. Support costs

| | 2017 £000 | 2016 £000 |
|------------------|--------------|--------------|
| IT, Finance & HR | 1,290 | 1,586 |
| Office | 1,315 | 1,335 |
| Management | 246 | 323 |
| Governance | 163 | 179 |
| Total | 3,014 | 3,423 |

7. Net income/ expenditure for the year

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| This is stated after charging/ (crediting): | | |
| Depreciation and amortisation | 433 | 333 |
| Auditors' remuneration | | |
| - Audit work | 39 | 35 |
| - Other services | 10 | 9 |
| Operating leases rentals | | |
| - Property | 713 | 873 |
| - Equipment | 14 | 61 |

8. Employees

| | 2017 £000 | 2016 £000 |
|-------------------------|--------------|--------------|
| Wages and salaries | 5,525 | 5,929 |
| Social security cost | 565 | 599 |
| Pension costs | 301 | 310 |
| Other employee benefits | 24 | 26 |
| Total | 6,415 | 6,864 |

Termination payments during the year totalled £24,000 (2016: £91,000). Termination payments are recognised on an accruals basis.

| The average number of employees during the year were: | 2017 | 2016 |
|--|------------|------------|
| Charitable activities | 53 | 56 |
| Fundraising | 80 | 85 |
| Support Services and governance | 23 | 25 |
| Total | 156 | 166 |

8. Employees (continued)

| | 2017 total no. | 2016 total no. |
|---|----------------------|----------------------|
| The number of employees receiving remuneration over £60,000 (excluding employer pension contributions) during the year was as follows: | | |
| £60,001 - £70,000 | 3 | 2 |
| £70,001 - £80,000 | 1 | 1 |
| £80,001 - £90,000 | 2 | 3 |
| £90,001 - £100,000 | 1 | 1 |
| £100,001 - £110,000 | - | - |
| £110,001 - £120,000 | 1 | 1 |
| Total | 8 | 8 |

Pension costs for these higher paid employees amounted to £50,000 (2016: £40,000).

The key management personnel of the Charity comprise the Trustees, the Chief Executive, the Director of Finance and Corporate Services, the Director of Communications and Engagement, the Director of Research, the Director of Scotland and the Director of Fundraising. The total earnings, including pension contributions, received by the key management personnel of the Charity during the year were £623,000 (2016: £564,000). The increase in cost is due to Director of Fundraising being in post for the whole of the 2016/17 year. The Chief Executive, the highest paid member of staff, received remuneration of £117,160 for the year.

9. Intangible assets (Group and Charity)

| | IT Software & Website £000 |
|--|----------------------------------|
| Cost | |
| At 1 August 2016 | 773 |
| Additions | 137 |
| At 31 July 2017 | 910 |
| Accumulated amortisation | |
| At 1 August 2016 | 494 |
| Charge for the year | 124 |
| At 31 July 2017 | 618 |
| Net book value | |
| Brought forward at 1 August 2016 | 279 |
| Carried forward at 31 July 2017 | 292 |

Notes to the financial statements

For the year ended 31 July 2017

10. Tangible assets (Group and Charity)

| | Leasehold Improvements £000 | Fixtures and Fittings £000 | IT Hardware £000 | Total £000 |
|--|-----------------------------------|----------------------------------|------------------------|---------------|
| Cost | | | | |
| At 1 August 2016 | 857 | 167 | 1,010 | 2,034 |
| Additions | 49 | - | 80 | 129 |
| At 31 July 2017 | 906 | 167 | 1,090 | 2,163 |
| Accumulated depreciation | | | | |
| At 1 August 2016 | 87 | 87 | 698 | 872 |
| Charge for the year | 98 | 33 | 178 | 309 |
| At 31 July 2017 | 185 | 120 | 876 | 1,181 |
| Net book value | | | | |
| Brought forward at 1 August 2016 | 770 | 80 | 312 | 1,162 |
| Carried forward at 31 July 2017 | 721 | 47 | 214 | 982 |

There were no assets held under finance leases in either year.

11. Investments (Group and Charity)

| | 2017 £000 | 2016 £000 |
|---------------------------------|---------------|--------------|
| Market value at 1 August | 16,201 | 21,005 |
| Realised (losses)/ gains | - | (225) |
| Unrealised (losses)/ gains | 1,093 | 930 |
| Income reinvested | 352 | 341 |
| Investment fees | (69) | (63) |
| Withdrawals | - | (5,787) |
| Market value at 31 July | 17,577 | 16,201 |

All investment assets are held in the UK and are unrestricted. The total historic cost of these investments is £11,586,000. The holdings by fund on a market value basis are as follows:

| Fund | Asset class | Fund manager | 2017 £000 | 2016 £000 |
|---------------------------|-----------------------------|---------------|---------------|--------------|
| Charishare | Equities | BlackRock | 3,935 | 3,295 |
| Charibond | Fixed interest | M&G | 3,210 | 3,207 |
| Coutts | Bonds, Equity & Commodities | Coutts | 4,745 | 4,296 |
| Goldman Sachs | Equity linked | Goldman Sachs | 5,687 | 5,403 |
| Total market value | | | 17,577 | 16,201 |

12. Current investments (Group and Charity)

| | 2017 £000 | 2016 £000 |
|--------------------------------------|--------------|--------------|
| Balance as at 1 August | 77 | 110 |
| Write back of provision | 34 | 22 |
| Transfer to cash at bank and in hand | (62) | (55) |
| Balance as at 31 July 2016 | 49 | 77 |

At 1 August 2008 the Charity held £4,370,000 of short-term cash deposits with Kaupthing Singer and Friedlander (KSF). A further £44,000 was due in interest as at that date. On 8 October 2008 the FSA applied to the High Court for KSF to be put into administration, as they concluded that it no longer met the FSA's threshold conditions. The Charity recovered £62,000 during the period, taking the total recovery to 31 July 2017 to £3,760,000. This represents 85.15% of the original sum invested.

As at 7 April 2017, the administrator's estimate was updated to state that between 86.25% and 87% will ultimately be recovered by the Charity, compared to between 85.5% and 86.5% in the prior year. The Trustees have therefore decided to decrease the provision for non-recovery of the original sum invested to 13.75% or £607,000 (2016: 14.5% or £640,000).

13. Subsidiary undertakings

Breast Cancer Now has two active subsidiaries; BCN Trading Ltd (03090884) and BCN Research Ltd (05047652). The charity also has seven dormant subsidiaries. All of the subsidiaries are incorporated in the United Kingdom and have a year end of 31 July, with the exception of Pink Ribbon Ltd which has a year end of 31 March and Breast Cancer Campaign & Breakthrough Breast Cancer which has a year end of 30 April.

| | Breakthrough Promotions Ltd £000 | BCN Research Ltd £000 | BCN Trading Ltd £000 | 2017 Total £000 | Restated 2016 Total £000 |
|--|--|-----------------------------|----------------------------|-----------------------|-----------------------------------|
| Turnover | - | 2,671 | 2,809 | 5,480 | 2,925 |
| Cost of sales | - | (2,412) | (217) | (2,629) | (48) |
| Administrative expenses | - | (236) | (304) | (540) | (575) |
| Profit before gift aid and taxation | - | 23 | 2,288 | 2,311 | 2,302 |
| Gift Aid payable to Breast Cancer Now | - | - | (2,288) | (2,288) | (1,353) |
| Profit before taxation | - | 23 | - | 23 | 949 |
| Tax expense | - | (5) | - | (5) | - |
| Profit after taxation | - | 18 | - | 18 | 949 |
| Assets | 153 | 3,267 | 1,247 | 4,667 | 5,353 |
| Liabilities | (143) | (3,249) | (1,240) | (4,632) | (4,577) |
| Net assets | 10 | 18 | 7 | 35 | 776 |

Breast Cancer Campaign & Breakthrough Breast Cancer (09555271), Breakthrough Enterprises Ltd (02688007), Breakthrough Promotions Limited (03239583), Breast Cancer Campaign Scotland (SC341835), Pink Ribbon Ltd (04690589), Breast Cancer Campaign (05074725) and Breakthrough Breast Cancer (02848982) are dormant companies.

Notes continue on the following page.

Notes to the financial statements

For the year ended 31 July 2017

13. Subsidiary undertakings (continued)

All of the subsidiaries are wholly owned with the exception of Pink Ribbon Ltd where Breast Cancer Now's ownership is 67%. The Charity's investment in its subsidiaries is £244 being two ordinary shares of £1 each in BCN Trading Limited, 100 ordinary shares of £1 each in Breakthrough Enterprises Limited, 100 ordinary shares of £1 each in Breast Cancer Campaign & Breakthrough Breast Cancer, one ordinary share of £1 in Breakthrough Promotions Limited, one ordinary share of £1 in BCN Research Limited and 40 shares of £1 each in Pink Ribbon Limited representing a majority shareholding. Breast Cancer Care hold the remaining 20 shares of £1 each in Pink Ribbon Limited.

The taxable profit from the subsidiaries each year is transferred to Breast Cancer Now as a Gift Aid payment. For 2016/17 a total payment of £2,288,000 has been paid to Breast Cancer Now. The 2015/16 profit for the year totalled £2,302,000, of which £1,353,000 was paid to Breast Cancer Now in 2015/16 and £949,000 was paid to Breast Cancer Now in 2016/17 under Gift Aid as a distribution from Shareholders' retained earnings. This has been included as a prior period adjustment in the 2016/17 Charity accounts so that unpaid gift aid as at 31 July 2016 is not included as an intercompany asset at this date as there was no financial obligation in existence at this date for BCN Trading to transfer the unpaid Gift Aid to BCN Charity.

14. Debtors

| | Group 2017 £000 | Group 2016 £000 | Charity 2017 £000 | Restated Charity 2016 £000 |
|--|-----------------------|-----------------------|-------------------------|-------------------------------------|
| Trade debtors | 1,113 | 881 | 86 | 101 |
| Amount owed by subsidiary undertakings | - | - | 1,077 | 678 |
| Other debtors | 661 | 1,741 | 661 | 1,740 |
| Prepayments and accrued income | 5,093 | 4,330 | 4,889 | 4,269 |
| Total | 6,867 | 6,952 | 6,713 | 6,788 |

15. Creditors: amounts falling due within one year

| | Group 2017 £000 | Restated Group 2016 £000 | Charity 2017 £000 | Charity 2016 £000 |
|------------------------------|-----------------------|-----------------------------------|-------------------------|-------------------------|
| Trade creditors | 943 | 691 | 943 | 691 |
| Grants payable | 9,961 | 7,232 | 9,329 | 7,232 |
| Taxes and social security | 445 | 658 | 159 | 168 |
| Accruals and deferred income | 1,916 | 4,307 | 1,217 | 1,051 |
| Other creditors | 53 | 54 | 52 | 54 |
| Total | 13,318 | 12,942 | 11,700 | 9,196 |

15. Creditors: amounts falling due within one year (continued)

Deferred income comprises sponsorship income received in advance of fundraising events taking place in 2017/18, as well as income received in advanced for entries to our weekly lottery and ticket sales for our Pink Ribbon Ball and Bigger Bounce. Deferred income also includes income received relating to the Catalyst Programme which is run through BCN Research Ltd, a wholly owned subsidiary of Breast Cancer Now. Income is recognised at the point research spend is committed.

| | Group 2017 £000 | Group 2016 £000 | Charity 2017 £000 | Charity 2016 £000 |
|-------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Balance as at 1 August | 3,411 | 395 | 159 | 395 |
| Amount released to income | (2,807) | (395) | (159) | (395) |
| Amount deferred in year | 584 | 3,411 | 536 | 159 |
| Balance as at 31 July | 1,188 | 3,411 | 536 | 159 |

16. Creditors: amounts falling due in more than one year

| | Group 2017 £000 | Group 2016 £000 | Charity 2017 £000 | Charity 2016 £000 |
|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Grants payable | 6,671 | 6,629 | 4,891 | 6,629 |

17. Grants payable

| | 2017 £000 | 2016 £000 |
|-------------------------------|---------------|--------------|
| At 1 August | 13,861 | 14,536 |
| Awarded during the year | 15,553 | 14,343 |
| Paid during the year | (11,857) | (13,825) |
| Adjustments during the year | (925) | (1,193) |
| As at 31 July | 16,632 | 13,861 |
| Due within one year (note 13) | 9,961 | 7,232 |
| Due after one year (note 14) | 6,671 | 6,629 |
| As at 31 July | 16,632 | 13,861 |

A list of all grants awarded in year is included under Note 5b.

Notes to the financial statements

For the year ended 31 July 2017

18. Merger costs

| | 2017 £000 | 2016 £000 |
|------------------------------------|--------------|--------------|
| Communications and marketing | - | 172 |
| Redundancy related costs | - | 24 |
| Property costs and asset write-off | - | 30 |
| System integration | - | 61 |
| Total net assets | - | 287 |

19. Reconciliation of funds

| | Balance at 1 Aug 2016 £000 | Income £000 | Expenditure £000 | Investment Gains £000 | Transfers £000 | Tax credit £000 | Balance at 31 Jul 2017 £000 |
|-------------------------------|----------------------------------|----------------|---------------------|-----------------------------|-------------------|--------------------|-----------------------------------|
| Unrestricted funds | 9,850 | 21,352 | (24,095) | 1,126 | 1,328 | 190 | 9,751 |
| Restricted | | | | | | | |
| Tissue Bank (1) | 197 | 1,183 | (1,380) | - | - | - | - |
| Prevention Research (2) | 797 | 2,805 | (1,775) | - | (883) | - | 944 |
| Kings College (3) | - | 639 | (639) | - | - | - | - |
| Molecular Cell Biology (4) | - | 532 | (532) | - | - | - | - |
| Endocrinology (5) | - | 489 | (489) | - | - | - | - |
| Drug Target Discovery (6) | - | 294 | (294) | - | - | - | - |
| Molecular Oncology (7) | - | 200 | (200) | - | - | - | - |
| Secondary Research (8) | - | 183 | - | - | (183) | - | - |
| Other restricted funds (9) | 177 | 641 | (505) | - | (262) | - | 51 |
| Total restricted funds | 1,171 | 6,966 | (5,814) | - | (1,328) | - | 995 |
| Total funds | 11,021 | 28,318 | (29,909) | 1,126 | - | 190 | 10,746 |

Notes

- (1) Donations specifically given to fund the Breast Cancer Now Tissue Bank.
(2) Donations specifically given to fund the research area of prevention.
(3) Donations specifically to support the research unit at Kings College London.
(4) Donations specifically to support the Molecular Cell Biology Team at the Institute of Cancer Research.
(5) Donations specifically to support the Endocrinology Team at the Institute of Cancer Research.
(6) Donations specifically to support the Drug Target Discovery Team at the Institute of Cancer Research.
(7) Donations specifically to support the Molecular Oncology Team at the Institute of Cancer Research.
(8) Donations specifically to support the research area of secondary breast cancer.
(9) This includes a variety of funds, where donations are restricted to specific areas of research and other charitable activity.

Transfers are made where restricted income is received in the current financial year to fund ongoing research grants which were committed in a previous financial year.

20. Analysis of net assets between funds

| | Group Unrestricted 2017 £000 | Group Restricted 2017 £000 | Group Total 2017 £000 | Group Unrestricted 2016 £000 | Group Restricted 2016 £000 | Restated Group 2016 £000 |
|-----------------------------------|---------------------------------------|-------------------------------------|--------------------------------|---------------------------------------|-------------------------------------|-----------------------------------|
| Tangible and intangible assets | 1,274 | - | 1,274 | 1,441 | - | 1,441 |
| Investments | 17,577 | - | 17,577 | 16,201 | - | 16,201 |
| Net current (liabilities)/ assets | (2,429) | 995 | (1,434) | (1,163) | 1,171 | 8 |
| Long term liabilities | (6,671) | - | (6,671) | (6,629) | - | (6,629) |
| Total net assets | 9,751 | 995 | 10,746 | 9,850 | 1,171 | 11,021 |

| | Charity Unrestricted 2017 £000 | Charity Restricted 2017 £000 | Charity Total 2017 £000 | Charity Unrestricted 2016 £000 | Charity Restricted 2016 £000 | Restated Charity 2016 £000 |
|-----------------------------------|---|---------------------------------------|----------------------------------|---|---------------------------------------|-------------------------------------|
| Tangible and intangible assets | 1,274 | - | 1,274 | 1,441 | - | 1,441 |
| Investments | 17,577 | - | 17,577 | 16,201 | - | 16,201 |
| Net current (liabilities)/ assets | (4,249) | 995 | (3,254) | (1,940) | 1,171 | (769) |
| Long term liabilities | (4,891) | - | (4,891) | (6,629) | - | (6,629) |
| Total net assets | 9,711 | 995 | 10,706 | 9,073 | 1,171 | 10,244 |

21. Financial and other commitments

Operating lease commitments

The Group and Charity have the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

| | 2017 £000 | 2016 £000 |
|-----------------------------------|--------------|--------------|
| Property leases expiring: | | |
| Within one year | 719 | 716 |
| Within two to five years | 1,080 | 1,722 |
| In over five years | - | - |
| Equipment leases expiring: | | |
| Within one year | 9 | 9 |
| Within two to five years | 5 | 15 |
| In over five years | - | - |

22. Trustee expenses

The Trustees received no remuneration in the year. Three Trustees received reimbursement for travel and accommodation expenses totalling £832 for the year (2016: £1,646). The Charity has in place insurance to indemnify the Trustees for actions brought against them for wrongful acts committed. A Trustee indemnity insurance policy is held with Arthur J Gallagher Ltd, providing indemnity of £2,000,000. The cost of the policy in 2016/17 was £4,200 (2015/16: £3,300).

Notes to the financial statements

For the year ended 31 July 2017

23. Prior period adjustment

A. An adjustment of £308,000 has been made to the prior year opening group unrestricted funds. The prior period adjustment has been made as there was no legal obligation in existence to transfer profits from the subsidiary companies to the parent charity at the 31 July 2015. This adjustment resulted in a profit in the subsidiary companies for the year end 31 July 2015, which is subject to corporation tax and has resulted in the recognition of a corporate tax expense of £308,000, which has reduced the opening unrestricted funds. This tax charge did not crystallise due to a qualifying charitable donation being made within nine months of the year end in accordance with Gift Aid rules, and a tax credit of £308,000 has therefore been recognised in the 2015/16 Group financial statements.

B. An adjustment of £949,000 has been made in the BCN Charity financial statements to remove the Payment under Gift Aid accrual from the "Unrestricted funds" and the "Amount owed to parent undertaking". The prior period adjustment has been made as there was no legal obligation in existence to transfer profits from BCN Trading Limited to Breast Cancer Now at 31 July 2016. This adjustment has resulted in a profit in BCN Trading Limited for the year ended 31 July 2016, which is subject to corporation tax and has resulted in the recognition of a corporation tax expense and an increase in social security and taxes of £190,000 in the Group financial statements. This tax charge did not crystallise due to a qualifying charitable donation being made within nine months of the year end in accordance with Gift Aid rules, and a tax credit of £190,000 has therefore been recognised in the 2016/17 Group financial statements.

| | Previously stated £'000 | Adjustment A £'000 | Adjustment B £'000 | Restated £'000 |
|--|-------------------------------|--------------------------|--------------------------|-------------------|
| Statement of Financial Activities | | | | |
| Tax expense (Group) | - | - | (190) | (190) |
| Statement of Financial Activities | | | | |
| Total funds at the beginning of the year (Group) | 14,570 | (308) | - | 14,262 |
| Tax credit on distribution of prior year profits (Group) | - | 308 | - | 308 |
| Total funds at the end of year (Group) | 11,211 | - | (190) | 11,021 |
| Balance Sheet | | | | |
| Amount owed by subsidiary undertakings (Charity) | 1,627 | - | (949) | 678 |
| Unrestricted funds (Charity) | 10,022 | - | (949) | 9,073 |
| Taxes and social security (Group) | 468 | - | 190 | 658 |
| Unrestricted funds (Group) | 10,040 | - | (190) | 9,850 |

24. Related party disclosures

In accordance with FRS 102, the Charity discloses related party transactions that were recognised in the Statement of Financial Activities. Expenses reimbursed to Trustees are disclosed in Note 22 of the financial statements. Remuneration of key management personnel is disclosed under Note 6 of the financial statements.

Breast Cancer Now received income of £2,600,000 (2016: £2,200,000) from Asda Tickled Pink during the year and had an outstanding debtor of £1,200,000 at year end (2016: £420,000). The Chief Executive, Baroness Delyth Morgan, holds the position of Trustee at Asda Tickled Pink. During the year the Charity awarded grants of £377,000 (2016: £511,000) to Queen Mary University of London and had an outstanding creditor of £720,000 at year end (2016: £1,020,000). Trustee, Dr Veronique Bouchet, is a Council Member at Queen Mary University of London. During the year the Charity awarded grants of £598,000 (2016: £493,000) to the University of Sheffield and had an outstanding creditor of £1,005,000 at year end (2016: £785,000). Trustee, Professor Robert Coleman, is the Head of Clinical Oncology at the University of Sheffield. During the year the Charity awarded grants of £195,000 (2016: £0) to Cambridge University Hospitals NHS Foundation Trust and had an outstanding creditor of £195,000 at year end (2016: £0). Professor Gwenda Lynne Berry is a Non-Executive Director at Cambridge University Hospitals NHS Foundation Trust.

The Charity paid for services totalling £44,014 (2016: £46,183) to Liz Hobbs Group Limited, a company in which Liz Doogan-Hobbs is a Director and has a controlling interest. Liz Doogan-Hobbs was a Trustee of Breast Cancer Now up to 29 September 2016. The services were for the provision of production and event management services.

The Charity paid for membership of the National Cancer Research Institute (NCRI) totalling £97,226 (2016: £6,700) during the year. The Chief Executive, Baroness Delyth Morgan, holds the position of Director at the NCRI.

During the year, the Charity had the following transactions with its subsidiary companies:

- Payment under Gift Aid from BCN Trading of £2,288,000 (2016: £1,353,000) and management charge of £290,000 (2016: £317,000).
- Management charge from BCN Research of £223,000 (2016: £253,000).

At the year end, the Charity had an outstanding debtor balance due from BCN Trading of £710,000 (2016: £425,000), an outstanding debtor balance due from BCN Research of £224,000 (2016: £253,000) and an outstanding debtor balance due from Breakthrough Promotions of £143,000 (2016: £0).

Notes to the financial statements

For the year ended 31 July 2017

25. Comparative Statement of Financial Activities

| | Restated Unrestricted funds £000 | Restated Restricted funds £000 | Restated Total 2016 £000 |
|--|---|---|-----------------------------------|
| Income from: | | | |
| Donations and legacies | 16,943 | 7,015 | 23,958 |
| Income from charitable activities | 604 | - | 604 |
| Income from other trading activities | 1,437 | 1,235 | 2,672 |
| Income from investments | 382 | - | 382 |
| Total income | 19,366 | 8,250 | 27,616 |
| Expenditure on raising funds | 13,172 | - | 13,172 |
| Expenditure on charitable activities | 10,304 | 7,939 | 18,243 |
| Merger costs | 287 | - | 287 |
| Total expenditure | 23,763 | 7,939 | 31,702 |
| Net realised investment (loss) | (203) | - | (203) |
| Net unrealised investment gain | 930 | - | 930 |
| Total net investment (loss)/ gain | 727 | - | 727 |
| Net (expenditure)/ income | (3,670) | 311 | (3,359) |
| Transfers between funds | 3 | (3) | - |
| Tax expense | (190) | - | (190) |
| Net movement in funds | (3,857) | 308 | (3,549) |
| Funds brought forward | 13,399 | 863 | 14,262 |
| Tax credit on distribution of prior year profits | 308 | - | 308 |
| Funds carried forward | 9,850 | 1,171 | 11,021 |

Legal and administrative details

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HRH The Prince of Wales

Auditor

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London WC2N 6RH

Solicitors

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Farrer & Co

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Investment Managers

BlackRock Investment Managers
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breastcancernow.org

Research Centre

The Breast Cancer Now Toby Robins
Research Centre, Mary-Jean Mitchell Green
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Director: Professor Andrew Tutt

Thank you

We rely upon the support we receive from organisations and individuals who so generously give their time and money to support our work, and we would like to pay special thanks to the following individuals and organisations:

We thank all breast cancer patients who have kindly donated tissue and blood samples to our Tissue Bank. These samples are invaluable to the scientific community and will help drive new discoveries in breast cancer research.

We thank the staff and scientists in the laboratories we fund who have taken time to show people around their labs and talk about the work that Breast Cancer Now is funding.

We thank the clinicians, scientists and supporters who helped us develop our health information.

We thank our Scientific Advisory Board (SAB), the Catalyst Committee and expert peer reviewers from all over the globe who helped us evaluate grant applications. Our committee members and peer reviewers donate their time for this important task.

We thank all those that have advised and supported us as we develop our work on preventing breast cancer.

We thank clinicians, patient representatives and patient advocates who have helped to raise standards of care at a local level in hospitals, to help us achieve our goal that all breast cancer patients receive personalised, high-quality treatment and care.

We thank Professor Robert Coleman, Professor of Medical Oncology, University of Sheffield and Dr Catherine Harper-Wynne, Secretary of UK Breast Cancer Group and Consultant Medical Oncologist, Kent Oncology Centre, and Juliet FitzPatrick for their continuing help and support on our bisphosphonates campaign.

We thank Mr Nick Thomas-Symonds for his support of off-patent drugs continuing to raise these issues in Parliament.

We thank Melanie Johnson and Vivienne Ashley, our patient representatives for the NICE appraisal of Kadcyra, as well as all the other women involved in campaigning on Kadcyra – including Bonnie Fox, Rosalie Marshall, Gill Smith, Mani Coulter, Julie Strelley-Jones, Fiona Leslie, Connie Johncock and in Scotland we thank Lesley Stephen, Alison Tait, Lesley Graham and Anne Maclean-Chang.

We also thank Siobhain McDonagh MP who sponsored the debate on access to Kadcyra and other breast cancer drugs in Parliament, and all the MPs who spoke in it.

We thank Emma Young for helping to raise awareness of the realities of living with secondary breast cancer.

We thank The All-Party Parliamentary Group on Breast Cancer officers: Craig Tracey MP, Dr Philippa Whitford MP, Sharon Hodgson MP, Jo Churchill MP and Baroness Massey and all those that provided written and oral evidence to the APPG's inquiry into geographical inequalities in breast cancer. We also thank all the MPs, MSPs and AMs that took part in our wear it pink photocall.

We thank all leaders of Scotland's five main political parties for their collective commitment to stopping deaths from breast cancer by 2050.

We thank all MSPs who have shown their support for our campaigns over the last year.

We thank all volunteers who have helped to deliver the ActWELL trial.

We thank all of our supporters who had the courage to tell their stories to the media as part of our campaigns and influence decision makers to help future generations.

We thank every individual, local Breast Cancer Now group, RAG, charitable trust and company who has donated or raised money for us in the past year, or remembered us in their Will. It is only with their support that we are able to fund our work, which will save lives.

We also acknowledge the generous support of:

3 Ts Charitable Trust

A Bigger Bounce Ball Committee

Abcam

Alexandra L Clark

Asda

Avon

BMI Healthcare

Carole Fletcher-Foale

Chantele Rashbrook and the Clifftop Challengers

Charles and Elspeth Gutteridge and Tour de Lard

Damart

Debenhams

Department of Health

Doris Field Charitable Trust

EDF Energy

FLB Group

Future Dreams

Georgina Clapton Hall, Nicki Gray and trek team

ghd

Glynis A Ashford

Graham Burns

Gregory Wilson and Sarah Wilkinson

Haley Family Charitable Trust

Hallmark

Isle of Man Anti-Cancer Association

Jason Guy and Legacy4lucy

John and Liz Watson

Katushka Giltsoff

Kerry Rubins and friends

Kidani Memorial Trust

Kilimanjaro Ladies

Ladies Golf Union

Liz & Terry Bramall Foundation

Margaret Betts and Boobs & Brass

Mark & Claire Urquhart

M&S

Martin Currie Charitable Foundation

Mary-Jean Mitchell Green Foundation

Mattioli Woods

MBNA

Mrs Crimbles

N Brown

Novartis

Pentel

Pfizer

Pink Ribbon Ball Committee London

Pink Ribbon Ball Committee Manchester

River Island

Rotary Club of Auchterarder and District

Sarah McCulloch

Scotia Bank

Scotland's Chief Scientist's Office

Sealey

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