

REGISTERED CHARITY NUMBER: 1159590

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2016
FOR
BONE CANCER RESEARCH TRUST**

Thomas Coombs
Statutory Auditor
Chartered Accountants
Century House
29 Clarendon Road
Leeds
West Yorkshire
LS2 9PG

BONE CANCER RESEARCH TRUST

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 14
Report of the Independent Auditors	15 to 16
Statement of Financial Activities	17
Statement of Financial Position	18 to 119
Statement of Cash Flows	20
Notes to the Statement of Cash Flows	21
Notes to the Financial Statements	22 to 36
Detailed Statement of Financial Activities	37 to 38

BONE CANCER RESEARCH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31ST DECEMBER 2016

TRUSTEES

Roger Paul		
John Dealey		
Gillian Elizabeth Johnston		
Ian John Lewis		
Fiona Marie Foley	-	Resigned 8/5/16
Malcolm Matthews	-	Appointed 19/11/16
Sarah Bernadette Dawson		
Hannah Millington	-	Appointed 8/5/16
Jessica Cumming	-	Resigned 8/5/16
Andrew Lewis		
Pip Large		
Donald Salter		

Clerk to the Trustees: Jane Natrass BA (Hons), PGCE (Resigned 20/12/16)

Independent Scientific Advisory Panel:

Chair: Professor Pam Kearns, University of Birmingham

Lay member: Mr Simon Allocca

Member: Professor Bob Brown, Institute of Cancer Research and Imperial College London

Member: Dr Richard Grose, Barts Cancer Institute

Member: Professor Andy Hall, Newcastle University

Member: Dr Deb Stocken, Newcastle University

Co-opted members to assess Fellowship applications:

Professor Susan Burchill, Professor of Adolescent and Paediatric Cancer Research, Leeds Institute of Molecular Medicine, University of Leeds

Dr John Anderson Reader in Paediatric Oncology, Institute of Child Health, London

Dr Andrew Peet, Reader in Paediatric Oncology, University of Birmingham

BONE CANCER RESEARCH TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

PRINCIPAL ADDRESS	Unit 10 Feastfield Horsforth Leeds LS18 4TJ
REGISTERED CHARITY NUMBER	1159590
INDEPENDENT AUDITORS	Thomas Coombs Statutory Auditor Chartered Accountants Century House 29 Clarendon Road Leeds West Yorkshire LS2 9PG
SOLICITORS	Schofield Sweeney Solicitors 76 Wellington Street Leeds LS1 2AY
ADVISERS	Bankers CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ Allied Irish Bank (GB) Goodbard House 15, Infirmary Street Leeds LS1 2JS Lloyds Bank 65-68 Briggate Leeds West Yorkshire LS1 6LH HR consultants HR Dept Investment managers Brewin Dolphin 34 Lisbon Street Leeds LS1 4LX

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

The trustees present their report with the financial statements of the charity for the year ended 31st December 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

BCRT is a Charitable Incorporated Organisation (The CIO), and is a trust that is governed by a Trust Deed and managed by a Board of Trustees. The Constitution states that the object of the CIO is the relief of sickness generally and in particular, but not so as to limit the generality of the foregoing: -

- 1) Promoting research into the causes and treatment of primary bone cancer and publishing useful results thereof
- 2) Providing support and information services for persons suffering from primary bone cancer and their treatment.

It is commensurate upon the trustees to ensure they apply the income in furthering the above objects.

The Trustees have complied with the duty set out in Section 4 of the Charities Act 2011, and have paid due regard to public benefit guidance published by the Charity Commission.

Grantmaking

The CIO has established its grant making policy to achieve its objects for the public benefit, which is reviewed bi-annually to ensure that it reflects the charity's objects and thereby enhances public benefit.

Primary bone cancers are rare; each year around 600 people in the UK and Ireland will be told they have a primary bone cancer. The five-year survival rate is approximately 55%, yet there has been no measurable improvement in survival rates over the past 25 years. Significant research programs are essential to build the knowledge base, ultimately improving survival rates and outcomes for people affected by primary bone cancer. We have funded research into primary bone cancer since 2006, and so far we have committed over £2.3 million to 53 different projects.

Our vision

A world where primary bone cancer is cured.

Our Mission

To save lives and improve outcomes for people affected by primary bone cancer by being:

- the catalyst for pioneering research
- the trusted source of information
- the voice of the primary bone cancer community
- a supportive network for the people affected

Our approach

We recognise that our ability to fund research is limited by our physical and financial resources. We aim therefore to maximise the impact of our grants by encouraging research which is likely to win support from larger funding bodies in due course.

We believe that there is great value in collaborative research. Finding a cure depends on the cooperation of many experts, some of whom will have not worked in primary bone cancer research to date.

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

Therefore, we place a special emphasis on the importance of:

- Creating the opportunity for researchers to look at opportunities in primary bone cancer research
- Nurturing the careers of early-stage research staff with an interest in primary bone cancer research
- Working with research teams to develop their research ideas through an innovative pilot grant scheme
- Supporting proposals which are likely to win support from larger funding bodies
- Encouraging collaboration between research groups
- Encouraging interdisciplinary team work and partnership
- Facilitating access to primary tissue and clinical data

BCRT is an active member of the Association of Medical Research Charities (AMRC).

Volunteers

The Trustees are very appreciative of the work carried out by numerous volunteers throughout the United Kingdom and Republic of Ireland for their tireless work in organising fundraising activities. There are also many people that have played a major role in other BCRT activities such as office administration, conferences, developing newsletters, Bone Cancer Awareness Week, and media coverage.

The Trustees would also like to thank two specific volunteers, Alan Johnston for his ongoing support of the IT Infrastructure and Jane Natrass in her role as Clerk to the Trustees. Other volunteers who made a significant contribution were Ann, Callum, Jabeen, Helen and Rebecca.

General, Dedicated and Restricted Fund Accounts:

As part of maximising the opportunities presented by different types of fundraising, the Trustees continue to offer 3 different types of accounts:

- Unrestricted Accounts - are where the bulk of donations are put, and then can be used to support all aspects of the Charity.
- Unrestricted Tribute Funds - are funds which have been opened in memory of an individual, usually by bereaved family and friends. Not only do they allow a loved one's name to be remembered within BCRT, they can also be used for local fundraising and raising awareness.
- Restricted Accounts – are donations which are restricted by the donor so that the funds may only be used for a particular purpose, for example ring-fenced for a specific area of research.

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

ACHIEVEMENT AND PERFORMANCE

Research Applications and Grants

In 2016, BCRT awarded a total of £111,824 in research grants and funded 6 applications in all (as listed below). 8 applications for our strictly research initiative were received and 4 were funded. We received 1 application for a commissioned research grant from the National Ewing Multi-Disciplinary Team (NEMDT) which was funded through donations made by the Ewings Sarcoma Research Trust. We also funded an extension to the Sarcoma Awareness for Medics project. This is an e-module to increase medical student's knowledge on sarcoma with top students getting a placement at a sarcoma centre.

During 2016, we received a final report from Nick Athansou for a project that started in 2012. This looked at screening a large number of new compounds that target epigenetic proteins. These have a role in modifying other proteins to influence cellular signalling. They identified the new compound called GSK-J4 as a potential candidate to take forward as it shows anti-proliferative effects at low doses and shows little effect on normal tissue. It shows promise in Ewing Sarcoma and Chordoma but no effect in Osteosarcoma. The project then went to look at how this molecule was acting to reduce proliferation and decrease osteoclastogenesis. We are awaiting an update on how this work progresses.

We also understand that the 2016 Strictly Research grant holder, Helen Knowles, whose project is focused on ANGPTL4 in Osteosarcoma is looking to secure longer term funding to further this work due to the promising results obtained thus far.

Grants

The following grants were awarded in 2016:

- Mr Chandrasekar, £9,500, Royal Liverpool & Broadgreen University Hospital NHS Trust "Sarcoma awareness for Junior Doctors - National Campaign"
- Professor Jeremy Whelan and Dr Jessica Bate, £66,624, UCL Hospitals NHS Foundation Trust "National Ewing's Multi-Disciplinary Team Fellowship"
- Dr Helen Knowles, £10,000, Botnar Research Centre, Nuffield Orthopaedic Centre "Does ANGLPTL4 drive osteolysis, tumourigenesis and metastasis in osteosarcoma? - Characterisation of a potential new therapeutic target"
- Mr Richard Craig, £5,700, Nuffield Orthopaedic Centre "Can a clear surgical margin be achieved in Ewing sarcoma of the extremities when based on measurements from post-chemotherapy imaging?"
- Professor Jeremy Whelan, £10,000, University College London Hospitals NHS Foundation Trust "Exploring the experience of patients undergoing treatment and surviving with bone cancer"
- Dr Kenneth Rankin, £10,000, Northern Institute for Cancer Research "Evaluation of a novel MT1-MMP activated ferrous nanoparticle as a theranostic and surgery planning tool in Ewing sarcoma and osteosarcoma"

Biobanking

This is a major project for BCRT, led by our National Biobank Facilitator which seeks to facilitate the collection of bone cancer samples from consented patients to be made available to researchers considering the causes and treatment of Primary Bone Cancer. We feel that this is the best way a smaller charity, such as BCRT, can make the biggest impact where so little is being done. By facilitating the collection of bone cancer samples we hope that this will encourage the take up of Bone Cancer studies by the research community. It is not intended to secure these samples purely from BCRT projects but across the Primary Bone Cancer community, thereby encouraging co-operation and sharing of ideas, interest and results. We seek to unite the PBC community and encourage collaboration in sample collection and sharing. This has been evident in the receipt of multiple requests and awarding of several collaborative

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

projects that include sample collection and providing a resource for other researchers to use. We feel we are laying down the foundations for a major increase in biobanking of PBC samples in 2017 and associated research activity.

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

After a challenging year in 2015 in which the Charity's income had dropped by 13% year on year, the Trustees and Senior Leadership Team put in place appropriate steps to cut costs and re-generate and diversify its income during 2016:

- Staff costs were reduced following the resignation of the CEO, and the amalgamation of the "communications and marketing" functions under one person, thus allowing us to conclude the employment of one head on a fixed term contract.
- Process improvements were made to increase efficiencies and reduce waste.
- Cost saving measures such as better accommodation and travel arrangements, reduction of printing costs, a reduction in some event spend, more effective purchasing and fulfilment were put into place.

Over the course of 2016, a number of improvements were made to our fundraising approach:

- Implementation of a Fundraising and Communications Team to bring fundraising, communications and marketing together. By empowering individuals with increased scope and autonomy for their own work, performance has significantly improved on both an individual and team level.
- Embedded several new fundamental systems including a customer relationship management system (CRM) to achieve better communication with and understanding of supporters.
- Diversification of income streams, including widening the scope of Challenges & Events. The charity now offers supporters 30 different Challenges & Events to get involved in (as opposed to 8 in 2015), as well as more opportunities for 'Own Place' fundraisers than ever before.
- The Charity had its largest team of fundraisers ever taking part in the Royal Parks Half Marathon in October (250 people).
- In December 2016, the Charity launched its first ever fully integrated Direct Marketing appeal, establishing a significant new avenue of income generation moving forward.
- Greater focus was placed on community fundraising by making this the specific responsibility of one individual and we also newly established specific responsibilities for legacies and gifts in from wills.
- The introduction of our new website also paved the way for increased supporter engagement and financial giving.

BCRT has a formal policy and procedure for any fundraising related complaints. There were no complaints received in 2016 about the method or style of BCRT fundraising activities.

BCRT only employs professional fundraisers within the charity and does not use any external commercial fundraisers.

Information Provision

During 2016 we set ourselves some challenging targets to ensure the Bone Cancer Research Trust continued to produce high-quality, relevant information meeting the needs of patients and family members affected by primary bone cancer.

Launch of new information materials

- In October, we held our annual Bone Cancer Awareness Week and with this our brand new information materials on all forms of primary bone cancer were launched.
- This new information has set us as the only charity providing information on all forms of primary bone cancer, and we do so with the values of providing trustworthy, accessible, information to patients and their family members - no matter the rarity of their tumour.
- Since this successful launch, we have seen a large increase in our social media engagement, requests for information materials and direct contact from patients and healthcare professionals alike; particularly regarding rarer tumour forms, such as Chordoma, where information was previously scarce and difficult to access.

Distribution of information

- Our new information materials have been sent to all 'Bone Cancer Centres' and the majority of hospitals providing chemotherapy or radiotherapy to sarcoma patients across the UK. Feedback has been very positive and additional orders received. Our next step is to increase this further and circulate our information to specific wards, such as the 'Teenage Cancer Trust' units and 'Macmillan Information and Support Centres' that are present in hospitals, to ensure we are reaching all those in need of information or support.
- Towards the end of the year, our 'Information Standard' certification was renewed, after we were granted the right to 'self-assess'. This denotes that the information we produce is based on the best possible current evidence and clinical practice, with input from healthcare professionals and patients to ensure its accuracy and readability. Compliance with this quality mark requires our systems and processes to be thoroughly audited on an annual basis.
- In 2014, we developed an online GP Module. This aimed to improve awareness and aid earlier diagnosis for primary bone cancer by providing information to GP's, and other healthcare professionals, of the 'red-flag' symptoms to be aware of and the correct diagnostic pathways to follow should primary bone cancer be suspected. During 2016, GPs taking our e-learning module recorded that they felt their knowledge in this subject had increased by nearly 70%. The Royal College of GPs continue to update us on the statistics of this module every 6 months, or on request, to allow us to monitor the success of this project.

Future information provision

- Looking forward to 2017, we have multiple exciting projects in the pipeline as we aim to increase the number of newly diagnosed patients we reach and the age-group of patients we can effectively support.
- We have begun working on a 'Patient Guide' for newly diagnosed patients, in order to provide information and support at an overwhelming time. The 'Patient Guide' will include an appointment tracker, details of the medical team, a list of additional services and useful contacts amongst many other aspects of advice and support.
- In addition, we are in the early-stages of producing a much-required resource for younger patients, in the form of an illustrated children's storybook. The storybook will support parents and young children by explaining what a sarcoma is and the surgery they may receive in order to treat their sarcoma. This project has allowed the Bone Cancer Research Trust to collaborate with other organisations regarding information production, while increasing the number of patients and healthcare professionals we can support.

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

Awareness and communications

Our refreshed communications strategy for 2016 was focused on the key twin aims of increasing awareness of bone cancer and of us as an organisation on both a national and international level.

Digital and online

- Our newly launched website, growth of our social media platforms and establishment of a reliable monthly e-newsletter have all dramatically increased our digital engagement with supporters.
- Our monthly e-newsletter now reaches over 7000 subscribers and we published an average of 3-4 of our own news pieces each month.
- We made use of Google Grant to capitalise on commonly placed Google searches, enabling patients and families to find the information available on our website more easily. We now receive over 8000 visitors a month through this initiative.
- We saw dramatic growth in our social media audiences in 2016. For example, we climbed from 5k to over 20k likes on Facebook and nearly doubled our Instagram followers from 445 to just over 800.

Conferences and events

- Our 10th Birthday Conference and Gala Fashion Event took place at The Tetley in Leeds in May 2016 and was well attended by 118 people in the day and 147 people at the evening event. The conference was designed to be celebratory and enjoyable, whilst offering a substantial programme for all aspects of our diverse community. Supporters particularly liked the “Strictly Research” event whereby they could vote for the projects that they thought were most worthy of funding.
- We held an open laboratory day in July 2016 with our researchers at the University of Sheffield, allowing our supporters to carry out hands-on experiments and get a real feel for the inner workings of a bone cancer research laboratory.
- We also exhibited at and attended conferences organised by the National Cancer Research Institute, the British Sarcoma Group, Charitycomms, and the Children’s Cancer and Leukaemia Group.

Press and media

- Our media strategy for 2016 focused on widening our national reach and impact, in addition to pieces in regional media around our fundraisers and relevant local case studies.
- Our comment on a news piece around the discovery of an ancient fossilized osteosarcoma was featured on BBC News, New Scientist, Daily Mirror and dozens of regional news outlets.
- We successfully applied for and were awarded a BBC Radio 4 Charity Appeal, which will be broadcast in October 2017.

Bone Cancer Awareness Week

- In 2016 our focus for Bone Cancer Awareness Week was on the rarer forms of primary bone cancer and non-cancerous tumours that arise in the bone.
- We launched brand-new information dedicated to these types, which include Adamantinoma, Spindle Cell Sarcoma of the bone, Chordoma, Angiosarcoma of the bone, Ameloblastoma and Giant Cell Tumour of the bone.

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

- We're now the only charity to provide information dedicated to all the forms of primary bone cancer and non-cancerous tumours that arise in the bone, from our new downloadable fact sheets to in-depth printed materials.
- Our 7 day social media campaign dedicated each day to a particular tumour type(s), with patient case studies, infographics with key statistics and symptom information, Q&As with surgeons and researchers, news stories about research developments, and much more.
- One of our key researchers, Dr Allie Gartland, was interviewed on BBC Sheffield about the need for bone cancer awareness and high quality information materials.
- We called on our supporters to get behind the campaign by ordering an awareness pack, Baking it for Bone Cancer, and downloading and sharing our new information materials from our online hub.
- We sent our new information materials to 31 hospitals specialising in treating patients with primary bone cancer.
- Over 700 people supported the campaign by downloading our #BoneCancerAwareness Twibbon to display on their social media profiles.
- Over 15 key organisations and charities got behind our #BoneCancerAwareness campaign on social media, including Macmillan, Teenage Cancer Trust, CCLG, Great Ormond Street Hospital, and the Royal College of GPs.
- Our international Facebook campaign had an overall reach of nearly 500,000 people affected by primary bone cancer.
- Over 35,000 people visited the Bone Cancer Research Trust website, with many of those viewing our new information materials; for example, 4,760 people accessed our new Chordoma information alone.

Support

Our support volunteers connect people affected by primary bone cancer with others who have had the condition, or share a similar experience.

- We work with patients and families to provide support during their journey, but we do not provide medical advice, nor connect patients with medical professionals.
- From our own personal experiences, we know it helps to share that journey and here at the Bone Cancer Research Trust we can help do that in number of ways. We have a dedicated email address which is staffed by volunteers who consistently respond promptly to each enquiry, and every contact is dealt with in the strictest confidence.
- After popular demand from supporters we renewed our "Patient's and Supporters conference", this time in Leeds (see above Conferences and Events).

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

ACHIEVEMENT AND PERFORMANCE

FINANCIAL REVIEW

Principal funding sources

The majority of our income is made up of individual voluntary donations. Our supporters undertake many fundraising activities, including events managed directly by BCRT, such as the London Marathon and Ride London, and events which supporters have organised themselves. We have continued to build relationships with a number of corporate entities who support our fundraising activities, and we have received grants and other donations from a number of Trusts.

- Grants and donations (unrestricted): £175,051
- Grants and donations (restricted): £208,841
- Donations from challenges and events: £470,098
- Investment income: £27,449
- Other trading/miscellaneous: £4,144
- Total: £885,583

We gratefully thank every single fundraiser who has contributed towards this amazing year, no matter how large or small, your donation makes such a difference and enables us to fulfil our charitable objectives.

During the year we spent £380,337 on charitable activities, including grants awarded, and £361,580 on fundraising. We made a surplus of £241,656, which will be used to support our exciting plans for the future.

Investment policy and objectives

Brewin Dolphin are BCRT's appointed Investment Managers with an investment mandate of "Income and Growth Return with Diversified Risk", and from an ethical perspective there will be no direct investment in tobacco. The charity's investments are held in a mix of equities, bonds, pooled funds and bank deposit balances. The portfolio has a benchmark of the WMA Private Investors Balanced Index (Total Return).

During 2016, the investment portfolio underperformed the WMA Balanced Index by 4.42%, returning 12.73% against an index of 17.15%. The underperformance was mainly due to the higher than normal cash balances held by Brewin Dolphin, at the request of BCRT, to allow timely withdrawals to supplement the cash flows in the early part of the year. The Trustees are satisfied with the long term performance of the fund.

Investment income in 2016 was £27,449. As at 31st December 2016, the market value of funds invested was £1,078,052.

Reserves policy

The Charity has a policy of maintaining sufficient reserves to enable BCRT to meet, as a minimum, its operational costs for the next year, estimated to be £420,000.

During the year the Trustees agreed to designate £250,000 for the funding of a PhD grant in 2018, being payable between 2018 and 2022.

The Charity currently has unrestricted reserves excluding fixed assets of £769,841 (2015: £571,298). The free reserves amount to £500,493 (2015: £518,245). The reserves of the Charity are continually monitored and reviewed within the context of the funds required to fulfil the objectives of the Charity.

Going Concern

The trustees believe that the charity is a "going concern" based on the current financial status, the ongoing funding streams, the planned expenditures, and research strategy.

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have examined the major strategic, business and operational risks which the Charity faces, and confirm that systems and procedures are in place which enables the Trustees to manage the Charity and mitigate any risk. The Senior Leadership Team (SLT) has a day to day responsibility to highlight any major risks that they become aware of during the course of their duties.

Trustees recognise that the organisation is in financial good health, and they receive regular monthly operational and financial reports that enable them to maintain an overview of the organisation's activities. Investments are monitored on a quarterly basis, and additionally there is a minimum of two review meetings with investment managers per annum.

BCRT also has a Management and Finance Committee in place, which monitors and reviews the financial performance in greater detail, looking at income and expenditure, future cash flows, and the budget on a monthly basis.

The Charity is almost entirely funded by voluntary donations or income from investments derived from voluntary contributions, and therefore there is a significant risk in being able to maintain and grow the income, in a cost-effective manner, in order to fund our objectives in the areas of Research, Awareness, Information and Support.

Plans for the future

In 2016, guided by our Stakeholder Survey, we undertook to re-focus the charity's activities towards a greater emphasis on research. In so doing, we reviewed the effectiveness of our research over the past 10 years, the engagement with researchers and how we could both support and better encourage their involvement. This will lead to a significant revision of our strategy for the charity by the second quarter of 2017.

It is expected that the key elements of this revised strategy will be:-

- a greater emphasis on more effective and viable research
- meeting the needs of our research community and changes in the research landscape
- a dedicated approach to monitoring the effectiveness of BCRT funded research
- working closely with eminent researchers and involving them in the development of our research strategy
- working more closely with Sarcoma Centres on biobanking
- reaching all patients diagnosed at the start of their treatment journey and offer information and support
- maintaining and enhancing our high-quality information service and awareness activity
- developing relationships / partnerships with other charitable bodies and trusts

Funding this increase in activity will require BCRT to diversify its fundraising activity, and use of our dedicated reserves while maintaining our financial sustainability.

Governing document

BCRT became a Charitable Incorporated Organisation, on 1st January 2015, registered number 1159590; as such the Trust is governed by a Foundation CIO Constitution, and managed by a Board of Trustees.

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The CIO constitution requires the Board of Trustees to have at least 8 members. BCRT reviews the skills mix of the existing Board when recruiting new Trustees, to ensure that their skills are complimentary to those already in situ. On their appointment, new Trustees are provided with, and/or have online access to the following:

- Copy of latest audited "Report and Accounts"
- Management accounts for current year
- BCRT contacts List
- Minutes of Trustees meetings
- Trust Deed
- "Hallmarks of an Effective Charity", published by the Charity Commission
- "The Essential Trustee", published by the Charity Commission

Following their appointment, new Trustees have a planned induction process during which they meet the staff team, spend time with other Trustees, and get to know more about BCRT's activities.

Organisational structure

Following the departure of the CEO in late 2015, and downturn in income, the Charity reviewed its organisation and overall management, including its financial procedures, to ensure that there remained a robust management structure in place, which reported to the Trustees in a timely manner.

There was an immediate need to continue managing the charity with this position vacant; the Trustees therefore restructured the senior management of the charity. With new staff in the key positions of Fundraising/Communications, Finance and Research we formed a Senior Leadership Team that reported directly to Trustees through the Management and Finance Committee. Ian Lewis (Trustee) provided an onsite link between the staff and Trustee, during the period of transition. This gave the Trustees the ability to monitor plans, delivery against plan and staff development more closely. This has proved to be a highly effective and constructive method of management and has seen a significant upturn in staff performance and morale.

In April, the Finance Manager Maggy Barnes retired after seven years of service, setting up all of the financial management processes and controls. Maggy was instrumental in recruiting her successor, who over the remainder of the year, reviewed, re-engineered and supplemented the financial procedures to meet the future requirements of the charity, as it grows. The transition between the incumbents was seamless; the Trustees remain confident that they have the tools to financially control the charity and therefore effective decision making.

Sub-committees

In addition to the Trustees, there are a series of sub-committees that focus on particular aspects of BCRT's work. Sub-committees are made up of at least two trustees, appropriate members of staff, and volunteers. Sub-committee proposals are recommended to Trustees for decision, prior to implementation. Current sub-committees are: Management and Finance, and Support.

Independent Scientific Advisory Panel (ISAP)

The Independent Scientific Advisory Panel (ISAP) was originally established under the Chairmanship of Professor Andy Hall, to assist the Trustees in the award of Research Grants. The ISAP consists of Research Professionals, who are from respected Research Centres throughout the UK. We also have one lay member of the ISAP. In the first quarter of 2016, the Chairmanship passed to Professor Pamela Kearns, Professor of Clinical Paediatric Oncology at University of Birmingham, whilst the previous Chair has remained as part of the panel.

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

The role of the ISAP is to:-

- Assess the validity of all research applications, taking into account the results of the external peer review process.
- Interview candidates for Studentships and Fellowships.
- Make recommendations in respect of funding projects to BCRT Board of Trustees.

Key management remuneration

The trustees consider the Board of Trustees and the Senior Management Team (SLT) as comprising the key management personnel of the charity responsible for directing and operating the charity on a day to day basis. All Trustees give their time freely and no trustee remuneration was paid during in the year. Details of trustee expenses and related party transactions are disclosed in note 9 to the accounts.

The pay of the charity's Senior Management Team is bench-marked against appropriate roles in similar charities in the geographic area, and increased provided key personal objectives have been met.

Conflict of interest

The Charity has an informal Conflict of Interest Policy and has implemented a policy for staff in line. This will be formally adopted by Trustees in 2017. The charity maintains a register of interests for both staff and trustees.

Trustees are required to disclose all relevant interests and register them with the Clerk to the Board of Trustees, and in accordance with the Charity's policy for Trustees to withdraw from any decisions where a potential conflict of interest may arise.

Any individual with an interest in a matter being discussed at a meeting must declare the interest to the meeting. The chairman of the meeting will then decide whether that individual should withdraw during the discussion and, if not, whether the individual should be entitled to vote on the matter under discussion.

Related parties

Reflecting the formation of the Trust by a number of Founding Groups, some of the Trustees are connected to the income received by the Charity during the period 1 January 2016 to 31 December 2016 as detailed in note 22 of the Financial Statements. The specific connections are:

- John Dealey: Adam Dealey Foundation for Ewing's Sarcoma.
- Gill Johnston: Anthony Pilcher Bone Cancer Trust. Charity No: 1099337.

BONE CANCER RESEARCH TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2016

TRUSTEES RESPONSIBILITY STATEMENT

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

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

Approved by order of the board of trustees on 13th May 2017 and signed on its behalf by:

Andrew Lewis - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF BONE CANCER RESEARCH TRUST

We have audited the financial statements of Bone Cancer Research Trust for the year ended 31st December 2016 on pages thirteen to thirty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees Responsibility Statement set out on page ten, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
BONE CANCER RESEARCH TRUST**

Matters on which we are required to report by exception

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

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

Thomas Coombs
Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Century House
29 Clarendon Road
Leeds
West Yorkshire
LS2 9PG

Date: 13th May 2017

BONE CANCER RESEARCH TRUST**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2016**

		Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM	Notes				
Donations and legacies	2	175,052	208,841	383,893	253,087
Other trading activities	3	474,242	-	474,242	395,387
Investment income	4	27,449	-	27,449	32,414
Total		676,743	208,841	885,584	680,888
EXPENDITURE ON					
Raising funds	5	361,580	-	361,580	276,129
Charitable activities	6				
Support costs		97,613	-	97,613	114,423
Grants awarded and direct costs		90,243	188,182	278,425	528,959
Total		549,436	188,182	737,618	919,511
Net gains/(losses) on investments		97,990	-	97,990	(10,719)
NET INCOME/(EXPENDITURE)		225,297	20,659	245,956	(249,342)
RECONCILIATION OF FUNDS					
Total funds brought forward		586,800	112,163	698,963	948,305
TOTAL FUNDS CARRIED FORWARD		812,097	132,822	944,919	698,963

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

BONE CANCER RESEARCH TRUST

**STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2016**

	Notes	Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	12	42,256	-	42,256	15,502
Investments	13	<u>1,096,980</u>	<u>-</u>	<u>1,096,980</u>	<u>1,059,235</u>
		1,139,236	-	1,139,236	1,074,737
CURRENT ASSETS					
Stocks	14	15,171	-	15,171	2,769
Debtors	15	130,160	53,299	183,459	70,387
Cash at bank and in hand		<u>154,550</u>	<u>79,523</u>	<u>234,073</u>	<u>281,886</u>
		299,881	132,822	432,703	355,042
CREDITORS					
Amounts falling due within one year	16	<u>(491,302)</u>	<u>-</u>	<u>(491,302)</u>	<u>(487,216)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(191,421)</u>	<u>132,822</u>	<u>(58,599)</u>	<u>(132,174)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		947,815	132,822	1,080,637	942,563
CREDITORS					
Amounts falling due after more than one year	17	<u>(135,718)</u>	<u>-</u>	<u>(135,718)</u>	<u>(243,600)</u>
NET ASSETS		<u>812,097</u>	<u>132,822</u>	<u>944,919</u>	<u>698,963</u>
FUNDS					
Unrestricted funds	19			812,097	586,800
Restricted funds				<u>132,822</u>	<u>112,163</u>
TOTAL FUNDS				<u>944,919</u>	<u>698,963</u>

The notes form part of these financial statements

BONE CANCER RESEARCH TRUST

**STATEMENT OF FINANCIAL POSITION - CONTINUED
AT 31ST DECEMBER 2016**

The financial statements were approved by the Board of Trustees on 13th May 2017 and were signed on its behalf by:

Roger Paul -Trustee

Andrew Lewis -Trustee

The notes form part of these financial statements

BONE CANCER RESEARCH TRUST

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

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

	2016	2015
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	245,956	(249,342)
Adjustments for:		
Depreciation charges	11,543	5,548
(Gain)/losses on investments	(2,018)	3,804
Loss on disposal of fixed assets	456	-
Unrealised loss/(gain) on investments	(95,970)	6,915
(Increase)/decrease in stocks	(12,402)	1,870
(Increase)/decrease in debtors	(113,072)	17,388
Decrease in creditors	(103,795)	(84,272)
Net cash provided by (used in) operating activities	<u>(69,302)</u>	<u>(298,089)</u>

BONE CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Changes in accounting policies

A change in accounting policy has taken place for the year ended December 2016 and comparatives restated for earlier years.

The policy change has been the recognition of cash and fixed asset investments. Previously, cash awaiting investment was classified as a current asset and disclosed as cash at bank. However, since this is to be reinvested these cash balances are now shown within fixed asset investments to provide a comparable cash available balance year on year.

The change has resulted in the following:

	2016	2016	2015	2015
	Pre adj	Post adj	Pre adj	Post adj
Investments	1,078,052	1,096,980	875,521	1,059,235
Cash at bank	248,560	234,073	465,600	281,886

Income

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

1. ACCOUNTING POLICIES - continued

Expenditure

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

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

The costs of generating funds consist of investment management fees and those costs incurred attracting voluntary income and activities for generating funds, such as events.

Costs of charitable activities include grants made and an apportionment of overheads and support costs.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. Single or multi-year grants are accounted for where either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Charity.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to external inspection and legal fees together with an apportionment of overhead and support costs.

Allocation and apportionment of costs

The breakdown of support costs and how these were allocated between governance and other support costs is based on the staff time for each of the activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost and 25% on cost

Stocks

Stocks are valued at weighted average cost, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

Status

The Bone Cancer Research Trust is a Charitable Incorporated Organisation (CIO), the liability is therefore restricted. If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

BONE CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST DECEMBER 2016

1. ACCOUNTING POLICIES - continued

Volunteers

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' annual report.

Where services are provided to the Charity as a donation that would normally be purchased from a supplier, this contribution is included in the financial statements at an estimate based on the value of the contribution to the Charity.

2. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations	<u>383,893</u>	<u>253,087</u>

3. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Event Income	470,098	393,108
Other trading and miscellaneous income	<u>4,144</u>	<u>2,279</u>
	<u>474,242</u>	<u>395,387</u>

4. INVESTMENT INCOME

	2016	2015
	£	£
Investment income	<u>27,449</u>	<u>32,414</u>

5. RAISING FUNDS

Staff costs

	2016	2015
	£	£
Staff costs	<u>154,292</u>	<u>109,834</u>

Event and other trading activities

	2016	2015
	£	£
Event costs	142,209	125,345
Other trading costs	3,159	2,189
Other fundraising costs	<u>52,130</u>	<u>28,546</u>
	<u>197,498</u>	<u>156,080</u>

BONE CANCER RESEARCH TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2016**

5. RAISING FUNDS - continued

Investment management costs

	2016	2015
	£	£
Portfolio management	<u>9,790</u>	<u>10,215</u>

Aggregate amounts	<u>361,580</u>	<u>276,129</u>
-------------------	-----------------------	----------------

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Grants awarded and direct costs	166,600	111,825	-	278,425
Support costs	<u>-</u>	<u>-</u>	<u>97,613</u>	<u>97,613</u>
	<u>166,600</u>	<u>111,825</u>	<u>97,613</u>	<u>376,038</u>

7. GRANTS PAYABLE

	2016	2015
	£	£
Grants awarded and direct costs	<u>111,825</u>	<u>321,219</u>

BONE CANCER RESEARCH TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2016**

7. GRANTS PAYABLE - continued

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

	2016	2015
	£	£
Dr Kenneth Rankin, Institute of Cellular Medicine and Northern Institute for Cancer Research. University of Newcastle upon Tyne "The Feasibility of Detection and Characterisation of Circulating Tumour Cells in Osteosarcoma"	-	(120)
Dr B Vormoor	-	(5,233)
Dr Idris, Research and Innovation Services, University of Sheffield "Role of Semaphorin 3A in osteosarcoma: Implications for detection, prevention and treatment"	-	101,720
Dr Gartland, Research and Innovation Services, University of Sheffield "Purinergic Signalling in Osteosarcoma"	-	154,652
Professor Heymann "Early events of recurrent disease and metastatic dissemination in Osteosarcoma: pre clinical assessment and clinical proof of concept"	-	73,600
Professor Addrienne Flanagan, Department of Histopathology, Institute of Orthopaedics Royal National Orthopaedic Hospital "Translating currently known genetic alterations of chondrosarcoma into clinical practice"	-	(3,400)
Mr Chandrasekar, Royal Liverpool & Broadgreen University Hospital NHS Trust "Sarcoma awareness for Junior Doctors - National Campaign"	9,501	-
Professor Jeremy Whelan and Dr Jessica Bate, UCL Hospitals NHS Foundation Trust "National Ewing's Multi-Disciplinary Team Fellowship"	66,624	-
Dr Helen Knowles, Botnar Research Centre, Nuffield Orthopaedic Centre "Does ANGLPTL4 drive osteolysis, tumorigenesis and metastasis in osteosarcoma? - Characterisation of a potential new therapeutic target"	10,000	-
Mr Richard Craig, Nuffield Orthopaedic Centre "Can a clear surgical margin be achieved in Ewing sarcoma of the extremities when based on measurements from post-chemotherapy imaging?"	5,700	-
Professory Jeremy Whelan, University College London Hospitals NHS Foundation Trust "Exploring the experience of patients undergoing treatment and surviving with bone cancer"	10,000	-
Dr Kenneth Rankin, Northern Institute for Cancer Research "Evaluation of a novel MT1-MMP activated ferrous nanoparticle as a theranostic and surgery planning tool in Ewing sarcoma and osteosarcoma"	10,000	-
	<u>111,825</u>	<u>321,219</u>

BONE CANCER RESEARCH TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2016**

8. SUPPORT COSTS

	Management	Governance	Totals
	£	costs	£
	£	£	£
Support costs	<u>87,820</u>	<u>9,793</u>	<u>97,613</u>

Support costs, included in the above, are as follows:

	2016	2015
	Support costs	Total activities
	£	£
Trustees' remuneration etc	2,616	3,094
Wages	22,031	31,726
Social security	927	2,075
Pensions	61	58
Rates and water	25,776	24,331
Telephone	4,526	3,056
Postage and stationery	5,027	5,186
Sundries	2,494	2,872
Travel and subsistence	1,766	5,372
Software licences	5,862	4,584
Recruitment	4,735	13,277
Professional memberships	-	108
Depreciation of tangible fixed assets	11,543	5,548
Loss on sale of tangible fixed assets	456	-
Trustees' remuneration etc	3,319	5,290
Auditors' remuneration	5,160	4,457
Bank charges	555	150
CIO status conversion costs	-	960
Accountancy and legal fees	<u>759</u>	<u>2,279</u>
	<u>97,613</u>	<u>114,423</u>

BONE CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST DECEMBER 2016

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ended 31st December 2016 nor for the year ended 31st December 2015.

All trustees give their time freely and no Trustee remuneration was paid in the year. During the year direct monetary donations made by Trustees to the Charity totalled £3,680 (2015: £4,496). A number of trustees have connections to organisations which donate funds to the Trust. Further details are provided in note 22.

Trustees' expenses

Reimbursed expenses, which are all subject to the charity's processes of internal controls, do not form part of the remuneration and are not included above. During the period, travel and subsistence expenses of £2,632 (2015: £3,413) were reimbursed to six trustees (2015: six trustees).

10. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	247,679	258,328
Social security costs	19,212	21,489
Other pension costs	<u>1,689</u>	<u>974</u>
	<u>268,580</u>	<u>280,791</u>

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

	2016	2015
Permanent staff	12	11
Trustees	<u>10</u>	<u>11</u>
	<u>22</u>	<u>22</u>

No employees received emoluments in excess of £60,000.

The Trust considers its key management personnel comprise the trustees and its Senior Leadership Team. The total employment costs of the key management personnel were £84,013 (2015: £51,349).

BONE CANCER RESEARCH TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2016****11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 2015**

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	166,266	86,821	253,087
Other trading activities	395,387	-	395,387
Investment income	<u>32,414</u>	<u>-</u>	<u>32,414</u>
Total	594,067	86,821	680,888
 EXPENDITURE ON			
Raising funds	276,129	-	276,129
Charitable activities			
Support costs	114,423	-	114,423
Grants awarded and direct costs	<u>374,063</u>	<u>154,896</u>	<u>528,959</u>
Total	764,615	154,896	919,511
Net gains/(losses) on investments	<u>(10,719)</u>	<u>-</u>	<u>(10,719)</u>
NET INCOME/(EXPENDITURE)	(181,267)	(68,075)	(249,342)
 RECONCILIATION OF FUNDS			
Total funds brought forward	768,067	180,238	948,305
 TOTAL FUNDS CARRIED FORWARD	 <u>586,800</u>	 <u>112,163</u>	 <u>698,963</u>

BONE CANCER RESEARCH TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2016**

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st January 2016	2,322	24,889	27,211
Additions	-	38,755	38,755
Disposals	<u>(950)</u>	<u>(449)</u>	<u>(1,399)</u>
At 31st December 2016	<u>1,372</u>	<u>63,195</u>	<u>64,567</u>
DEPRECIATION			
At 1st January 2016	1,390	10,319	11,709
Charge for year	442	11,103	11,545
Eliminated on disposal	<u>(653)</u>	<u>(290)</u>	<u>(943)</u>
At 31st December 2016	<u>1,179</u>	<u>21,132</u>	<u>22,311</u>
NET BOOK VALUE			
At 31st December 2016	<u>193</u>	<u>42,063</u>	<u>42,256</u>
At 31st December 2015	<u>932</u>	<u>14,570</u>	<u>15,502</u>

13. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1st January 2016	875,521	183,714	1,059,235
Additions	219,722	-	219,722
Disposals	(113,156)	(164,786)	(277,942)
Revaluations	<u>95,965</u>	<u>-</u>	<u>95,965</u>
At 31st December 2016	<u>1,078,052</u>	<u>18,928</u>	<u>1,096,980</u>
NET BOOK VALUE			
At 31st December 2016	<u>1,078,052</u>	<u>18,928</u>	<u>1,096,980</u>
At 31st December 2015	<u>875,521</u>	<u>183,714</u>	<u>1,059,235</u>

BONE CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST DECEMBER 2016

13. FIXED ASSET INVESTMENTS - continued

At 31st December 2016 no individual investment represented more than 5% of the total investment portfolio valuation.

The historical cost at 31st December 2016 is £870,340 (2015: £765,473).

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The current demand for high quality corporate bond and government stock continues to depress the yield. However due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to "normal levels".

Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease.

The Trust is reliant on dividend yield in part to finance its work. This in part has led to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling. The outlook for the sterling exchange rate is that it is anticipated to remain weak due to uncertainty around BREXIT. A weakening in the exchange rate will improve sterling returns from foreign currency denominated holdings.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

14. STOCKS

	2016	2015
	£	£
Stocks	<u>15,171</u>	<u>2,769</u>

BONE CANCER RESEARCH TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2016**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Other debtors	<u>183,459</u>	<u>70,387</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	65,761	5,506
Taxation and social security	6,204	6,737
Other creditors	<u>419,337</u>	<u>474,973</u>
	<u>491,302</u>	<u>487,216</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Other creditors	<u>135,718</u>	<u>243,600</u>

Reconciliation of Grants Awarded

	2016	2015
Opening liability obligation	678,087	688,214
Research grants awarded in the year	111,825	329,972
Provisions no longer required	-	(8,755)
Paid during the year	<u>(269,625)</u>	<u>(331,344)</u>
Closing liability obligation	<u>520,287</u>	<u>678,087</u>
Split as:		
Due within one year	384,569	434,487
Due after more than one year	135,718	243,600

18. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid:

	Land and buildings		Other operating leases	
	2016	2015	2016	2015
	£	£	£	£
Expiring:				
Within one year	15,600	15,600	1,235	1,618
Between one and five years	<u>14,300</u>	<u>29,900</u>	<u>1,044</u>	<u>2,279</u>
	<u>29,900</u>	<u>45,500</u>	<u>2,279</u>	<u>3,897</u>

BONE CANCER RESEARCH TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2016****19. MOVEMENT IN FUNDS**

	At 1/1/16 £	Net movement in funds £	At 31/12/16 £
Unrestricted funds			
General fund	586,800	225,297	812,097
Restricted funds			
Krystle Smith	-	500	500
The Rhodri Jones Appeal	2,761	(2,761)	-
Anthony Pilcher	-	5,000	5,000
In Support of Mary Collard	79,156	(77,675)	1,481
Ewings Sarcoma Research Trust	-	53,299	53,299
In Memory of Alex Read	8,958	(8,895)	63
Sally Ellis	1,028	-	1,028
Henry Dancer Days	5,000	-	5,000
Daniels Trust	111	6,000	6,111
In Memory of Eddy Perry	100	(100)	-
In Memory of Adam Dealey	1,821	-	1,821
Adam Dealey Foundation	13,228	300	13,528
Dilara Ozbeik	-	5,634	5,634
Daniel Bridle	-	6,904	6,904
Jasmine Kirkham	-	18,000	18,000
My Blue Heart	-	1,000	1,000
Christopher Spratt	-	13,453	13,453
	<u>112,163</u>	<u>20,659</u>	<u>132,822</u>
TOTAL FUNDS	<u>698,963</u>	<u>245,956</u>	<u>944,919</u>

BONE CANCER RESEARCH TRUST**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2016****19. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	676,743	(549,436)	97,990	225,297
Restricted funds				
Krystle Smith	500	-	-	500
The Rhodri Jones Appeal	10,000	(12,761)	-	(2,761)
Anthony Pilcher	10,000	(5,000)	-	5,000
In Support of Mary Collard	63,491	(141,166)	-	(77,675)
Ewings Sarcoma Research Trust	66,624	(13,325)	-	53,299
In Memory of Alex Read	6,135	(15,030)	-	(8,895)
Daniels Trust	6,000	-	-	6,000
In Memory of Eddy Perry	-	(100)	-	(100)
Adam Dealey Foundation	300	-	-	300
Dilara Ozbeik	6,434	(800)	-	5,634
Daniel Bridle	6,904	-	-	6,904
Jasmine Kirkham	18,000	-	-	18,000
My Blue Heart	1,000	-	-	1,000
Christopher Spratt	13,453	-	-	13,453
	208,841	(188,182)	-	24,959
TOTAL FUNDS	885,584	(737,618)	97,990	245,956

BONE CANCER RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST DECEMBER 2016

20. CONTINGENT LIABILITIES

The Krystle Smith Restricted Fund represents monies restricted for research into Ewing's sarcoma.

The Rhodri Jones Appeal represents funds raised by the Jones family for research into osteosarcoma.

The Anthony Pilcher Bone Cancer Trust Restricted Fund represents monies restricted for research into osteosarcoma.

The In Support of Mary Collard Restricted Fund represents monies restricted for research into osteosarcoma.

The Ewing's Sarcoma Research Trust Restricted Fund represents monies restricted for research into Genotype and Phenotype of Self-renewing cancer-initiating Ewing's sarcoma.

The In Memory of Alex Read Restricted Fund represents monies restricted for research into osteosarcoma.

The Sally Ellis Restricted Fund represents monies restricted for research into osteosarcoma at the Royal Orthopaedic Hospital.

The Henry Dancer Days Restricted Fund represents monies restricted for research in the North East.

The Daniels Trust Restricted Fund represents monies restricted for research into Ewing's sarcoma.

The In Memory of Eddy Perry Restricted Fund represents monies restricted for research into Osteosarcoma.

The In Memory of Adam Dealey Restricted Fund represents monies restricted for research into Ewing's sarcoma.

The Adam Dealey Foundation Restricted Fund represents monies restricted for research into Ewing's sarcoma.

The Dilara Ozbek Restricted Fund represents monies restricted for research into osteosarcoma.

The Danial Bridle Restricted Fund represents monies restricted for research into osteosarcoma.

The Jasmine Kirkham Restricted Fund represents monies restricted for research into osteosarcoma.

The My Blue Heart Restricted Fund represents monies restricted to working with children and bereavement.

The Christopher Spratt Restricted Fund represents monies restricted for research into chordoma and chondrosarcoma.

21. DESIGNATED FUNDS

During the year ended 31st December 2015 £53,053 was designated for Biobank funding, during the year ended 31st December 2016 £35,565 was expensed and the remaining balance designated for Biobank funding is £17,488.

During the year, £250,000 was designated for funding a PhD grant. The grant is expected to be awarded in 2018, and is likely to be payable between 2018 and 2022.

BONE CANCER RESEARCH TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2016**

22. RELATED PARTY DISCLOSURES

Trustees are required to disclose all relevant interests and register them with the Finance Manager and in accordance with the Charity's policy to withdraw from decisions where a conflict of interest arises.

Any individual with an interest in a matter being discussed at a meeting must declare the interest to the meeting. The chairman of the meeting will then decide whether that individual should withdraw during the discussion and, if not, whether the individual should be entitled to vote on the matter under discussion.

The Adam Dealey Foundation for Ewing's Sarcoma of which John Dealey, a trustee is connected donated £750 (2015: £25,273) to Bone Cancer Research Trust during the year.

The Anthony Pilcher Bone Cancer Trust of which Gill Johnston, a trustee is connect donated £10,000 (2015: £8,000) to Bone Cancer Research Trust during the year.

BONE CANCER RESEARCH TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	2016 £	2015 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	383,893	253,087
Other trading activities		
Event Income	470,098	393,108
Other trading and miscellaneous income	<u>4,144</u>	<u>2,279</u>
	474,242	395,387
Investment income		
Investment income	<u>27,449</u>	<u>32,414</u>
Total incoming resources	885,584	680,888
EXPENDITURE		
Staff costs		
Wages	142,027	105,191
Social security	11,217	4,537
Pensions	<u>1,048</u>	<u>106</u>
	154,292	109,834
Event and other trading activities		
Event costs	142,209	125,345
Other trading costs	3,159	2,189
Other fundraising costs	<u>52,130</u>	<u>28,546</u>
	197,498	156,080
Investment management costs		
Portfolio management	9,790	10,215
Charitable activities		
Trustees' expenses	16	319
Wages	83,621	121,411
Social security	7,068	14,877
Pensions	580	810
Advertising	72,634	28,627
Biobank expenses (non-staff costs)	2,681	920
Marketing and branding	-	40,776
Grants to institutions	<u>111,825</u>	<u>321,219</u>
	278,425	528,959

This page does not form part of the statutory financial statements

BONE CANCER RESEARCH TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	2016	2015
	£	£
Management		
Trustees' expenses	2,616	3,094
Wages	22,031	31,726
Social security	927	2,075
Pensions	61	58
Rates and water	25,776	24,331
Telephone	4,526	3,056
Postage and stationery	5,027	5,186
Sundries	2,494	2,872
Travel and subsistence	1,766	5,372
Software licences	5,862	4,584
Professional memberships	-	108
Recruitment and human resources costs	4,735	13,277
Depreciation of tangible fixed assets	11,543	5,548
Loss on sale of tangible fixed assets	456	-
	<u>87,820</u>	<u>101,287</u>
Governance costs		
Trustees' expenses	3,319	5,290
Auditors' remuneration	5,160	4,457
Bank charges	555	150
CIO status conversion costs	-	960
Accountancy and legal fees	759	2,279
	<u>9,793</u>	<u>13,136</u>
Total resources expended	<u>737,618</u>	<u>919,511</u>
Net income/(expenditure) before gains and losses	147,966	(238,623)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	2,018	(3,804)
	<u>149,984</u>	<u>(242,427)</u>

This page does not form part of the statutory financial statements