



OCCTOPUS OXFORD COLON CANCER TRUST

Registered charity no.1104702

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 2016

OCCTOPUS OXFORD COLON CANCER TRUST

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OCCTOPUS OXFORD COLON CANCER TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Patrons:	Professor Sir Walter Bodmer Professor Peter Atkins Mr Neil Ashley
Trustees:	Professor Neil Mortensen (Chairman, appointed on 9 January 2017) Mr Neil Ashley (Chairman, retired on 9 January 2017) Mr Christopher Cunningham Mr Bruce George Mr Nicholas Handy (Treasurer) Mr Rob Jonckheer (appointed 3 April 2017) Mr Bryan Morton Mr Mark Rowse (appointed on 18 April 2016) Mr Philip Williams
Secretary:	Mr Rob Jonckheer
Independent Examiner:	Mr Stephen Dexter FCA
Administrator:	Miss Emma Worthington Chapman
Principal office:	Everyman Legal Limited No. 1G, Network Point Range Road Windrush Park Witney Oxfordshire OX29 0YN
Bankers:	HSBC Bank plc 24 Market Square, Witney, Oxfordshire, OX28 6BG
Name	OCCTOPUS Oxford Colon Cancer Trust
Registration as a charity:	1 July 2004 (number 1104702)
Website:	http://www.occtopus.org.uk

OCCTOPUS OXFORD COLON CANCER TRUST

TRUSTEES' ANNUAL REPORT (CONTINUED)

TRUSTEES' ANNUAL REPORT

The trustees present their annual report and financial statements for the year ended 31 December 2016. The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 18 and comply with the charity's trust deed, the 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), and applicable law.

Objectives and activities

The aims of the charity are to improve the diagnosis and treatment of colorectal cancer and inflammatory bowel disease by promoting education, innovation and research as well as through the provision of specialist equipment to allow new treatments to be delivered to patients.

This is achieved through providing grants and equipment to the colorectal surgery department and its clinical partners at the Oxford University Hospitals NHS Foundation Trust and providing grants to the University of Oxford for the Nuffield Department of Surgical Sciences. The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives, in planning future activities, and providing grants for the year.

The charity furthers its charitable purposes for the public benefit through its grant-making policy which looks to:

- fund research related to the early diagnosis and treatment of sufferers with colorectal cancer and related conditions
- provide support for education and training in treating colorectal cancer and related conditions
- funding the purchase by the Oxford University Hospitals NHS Foundation Trust of specialised surgical equipment for the treatment of colorectal cancer, and inflammatory bowel conditions such as ulcerative colitis and Crohn's disease.

Grant making and funding policy

The charity has established its grant making policy to achieve its objects for the public benefit. The charity's aim is to improve, through innovative techniques, the early diagnosis and treatment of sufferers with colon cancer and related conditions together with the training of those providing the diagnosis and treatment.

The charity has established its grant making policy to achieve its objects for the public benefit. The ultimate beneficiaries of our grant making programme are those who suffer from colorectal cancer, ulcerative colitis, Crohn's disease and inflammatory bowel and those at risk of developing these diseases in the future. According to the World Cancer Report colorectal cancer represents almost 10% of the global cancer incidence burden in 2012, and is the third most common cancer in men (an estimated 746,000 cases) and the second most common in women (614,000 cases). Colorectal cancer is the fourth most common cause of death from cancer worldwide, with an estimated 694,000 deaths.

Survival rates for colorectal cancer have improved over the last four decades, but even today only 60% of those people affected survive more than five years. This survival rate can be improved by earlier diagnosis and effective treatment.

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TRUSTEES' ANNUAL REPORT (CONTINUED)

The charity provides grants to fund postgraduate research fellowships through the Nuffield Department of Surgical Sciences (NDSS). Applicants must demonstrate to the NDSS that the research is focused on those suffering from colorectal cancer and its related conditions. The amount and term of the reward is decided by the trustees as a whole based on the advice of those trustees with clinical expertise. Typically, the research funding will cover a period of two years, though this may be longer or shorter at the trustees' discretion. The beneficiaries of the fellowships are monitored through regular reporting to the trustee meetings on progress.

In addition, the charity funds the purchase by the Oxford University Hospitals NHS Foundation Trust of specialised surgical equipment to expand knowledge on new and innovative techniques that improve treatment of colorectal cancer and its related conditions.

The charity provides the services of an administrator in support of the education and training requirements of the Colorectal Department of the Oxford University Hospitals NHS Foundation Trust. This includes supporting the academic work in the department and the overseas surgical observers and some of the overseas Fellows in their work on improving the treatment of colorectal cancer and its related conditions.

Any private benefit received by research institutions, researchers and healthcare bodies is purely incidental to the objects of the charity's work.

The charity reviews the grant making policy annually to ensure that it reflects the charity's objects and thereby advances public benefit.

Structure, governance and management

Structure, management and communication

The charity is a registered charity, number 1104702, and is constituted under a trust deed dated 23 December 2003.

The charity's operations are controlled by the trustees. Currently, Professor Mortensen acts as Chairman and provides medical direction. Mr Ashley acted as Chairman during the year and retired on 9 January 2017. Mr Jonckheer acts as Secretary, providing support on charitable legal, regulatory and governance aspects. Mr Handy acts as Treasurer.

The charity has a part time administrator who is also engaged in research and data reporting. The administrator is an employee of Oxford University Hospitals NHS Foundation Trust, which recharges the element of her remuneration costs that relate to the work she undertakes on behalf of the charity.

The trustees hold formal meetings at least three times a year to consider all aspects of the charity's activities, and to monitor progress on the charity's strategic and operational plans (see achievements and performance below). These plans help trustees and supporters to work towards a shared and sustainable vision for the future, agreeing priorities and identifying appropriate activities to achieve them.

A Nominations Committee, comprising Mr Ashley (to 9 January 2017), Professor Mortensen and Mr Williams, is responsible for recommendations to the trustees on the appointment of new trustees. Trustee performance and re-appointment is considered annually. Trustees are appointed through meeting with the Nominations Committee and, where practicable, through structured visits to the colorectal surgery department at the Oxford

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TRUSTEES' ANNUAL REPORT (CONTINUED)

University Hospitals NHS Foundation Trust. Trustee training is through peer support and attendance at relevant conferences or seminars.

Communications with supporters and other interested parties are conducted through various means including tailored mailing, e-mail, the charity's website, Just Giving, the annual report and events such as open days at the colorectal cancer department at the Oxford University Hospitals NHS Foundation Trust. Feedback from supporters is solicited in personal correspondence and communication.

Governance

During the year, the charity has maintained its emphasis on its own and its partners' accountability. The trustees seek to follow the good practice 'Charity Trustees Guide' issued by ICSA: The Governance Institute.

The trustees meet regularly (at least three times a year formally, additionally as needed) to review the status of initiatives in hand and the charity's financial and investment position. The development of strategic options which could affect planning is also discussed.

The trustees remain committed to minimising administrative costs and to monitoring the performance of initiatives implemented in association with the Oxford University Hospitals NHS Foundation Trust.

Mr Stephen Dexter FCA is the currently appointed independent examiner of the charity.

Achievements and performance

During 2016 the charity continued to enable progress in minimally invasive colorectal surgery in the UK, principally by fundraising and preparing proposals to enable it to meet its objectives.

Research and innovation allows medicine to progress and provide patients with better care. Occtopus funded their first research fellowship in October 2015 supporting Marta Penna, a surgical doctor in Oxford, to undertake a PhD research post. Marta's project focusses on the latest advanced technique in rectal cancer surgery called Transanal Total Mesorectal Excision (TaTME). Surgeons in Oxford, Professor Neil Mortensen (Chairman of trustees) and Mr Roel Hompes, were amongst the early adopters of this approach, helping to develop the technique further. They were also part of the team in the UK who founded the international TaTME registry in order to monitor outcomes and ensure that this new operation is introduced safely. Marta's research project aims to explore two main aspects of TaTME:

- analysis of current TaTME outcomes using registry data, and
- in depth analysis of the technical steps using a Human Reliability Analysis (HRA) approach. HRA provides a robust and systematic method to assess the technique in detail and establish performance-shaping factors to further improve the technique and help surgeons who wish to learn TaTME.

During her first year, Marta has achieved ethical approval for her studies. To ensure high quality research, Marta attended postgraduate professional development workshops and achieved her Good Clinical Practice in Research certificate. She also receives regular input from her four supervisors (Professor Neil Mortensen, Mr Roel Hompes, Professor George Hanna, Professor Paris Tekkis) who provide expertise in rectal surgery, TaTME, HRA, statistical analysis, research methodology and writing. Short-term outcomes of the first 720 TaTME cases on the international registry have shown very promising results and accomplished an important publication in the field

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TRUSTEES' ANNUAL REPORT (CONTINUED)

of rectal cancer surgery in the Annals of Surgery. Long-term results including rates of cancer recurrence, quality of life and functional outcomes will also be analysed at a later stage.

Marta continues to have an active role in the Oxford TaTME workshops that train surgeons to perform the operation. Thanks to the success of this course, the clinical team led by Mr Roel Hompes was invited to Hong Kong to run their first TaTME workshop in August 2016. She has also been involved in international consensus processes for TaTME and collaborated with surgeons abroad to evaluate current training workshops offered in the UK and USA.

Marta has presented her work at nine international and national conferences, including the European Colorectal Congress in St.Gallen, European Association for Endoscopic Surgery in Amsterdam and the TaTME summit in California, as well as presenting at five local meetings and publishing her research in nine peer-reviewed articles this year.

During the second year of her research post, Marta will continue to carry out the HRA analysis of the technique and study the longer-term results from the registry. TaTME has captured the focus of attention amongst the colorectal community and thanks to ongoing collaboration and research, patients with rectal cancer will hopefully benefit from these advances that aim to provide them with a better quality of life.

The charity continues to fund the services of an administrator as part of its grant policy to support education and training at an allocated cost of £6,176 (2015 £5,858).

The charity measures its performance in two areas; in the provision of grants and the subsequent success of those grants in achieving the grant making policies. The provision of grants is monitored at each trustee meeting where the trustees with clinical expertise will propose opportunities for grant making and the trustee body as a whole will confirm whether the grant will be made. As each grant provided tends to have unique circumstances the charity measures its performance on a case by case basis and at trustee meetings follows up the benefits from the grants.

Against the background of recent achievements, the charity will continue to monitor and address opportunities for research and the application of surgical technology in treating colorectal cancer and its related conditions. Its priorities at present are to:

- continue to raise funds to address its charitable objectives; and
- conserve a fund for future technological developments (see also under Reserves policy below).

As part of a drive to increase awareness of the charity's objectives and donations from individuals and others, an initiative has been launched to rebrand the organisation with an updated corporate identity. At the same time a new website is being created which will act as the centrepiece of a streamlined communications strategy to connect the charity more strongly with its existing supporters and provide a platform to create awareness and attract support from others. This is expected to go live during 2017. Using the latest online tools, this should enable greater efficiency and effectiveness without substantially increased costs and result in a growing revenue stream of donations over coming years.

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TRUSTEES' ANNUAL REPORT (CONTINUED)

Principal risks and uncertainties

The principal risks faced by the charity have not changed significantly from last year, primarily the performance of investments and operational risks from non effective grant making and the capacity of the charity to make effective grants.

The trustees consider the variability of investment returns on funds invested or deposited to constitute the charity's major financial risk. This is mitigated by having a diversified investment portfolio and monitoring the annualised returns of that investment portfolio on a monthly basis, with a formal report by the treasurer at each of the trustee meetings. This diversification is achieved through the investment in equity and income managed funds.

The operational risk from research and grant awards is that they may be non effective in advancing knowledge and practice to those treating colorectal cancer and related conditions. This is managed through retaining trustees who are clinical experts to whom the recipients of the awards provide regular and detailed reports. In addition, the recipients provide regular reports to the trustee body as a whole. The process of reporting and review assists us, and those we support, in keeping track of how research and knowledge is developing. This review process also focuses on the public benefit derived from our funding of their work.

The operational risks from the funding of specialised surgical equipment for the use by the Oxford University Hospitals NHS Foundation Trust are:

- the surgical equipment may be non-effective in treating the specialised condition of colorectal cancer and related conditions
- the surgical equipment could be procured by the National Health Service as part of its normal spending and does not therefore meet the charity aim of innovative techniques
- the surgical equipment might be appropriated by other areas of the Oxford University Hospitals NHS Foundation Trust which, whilst providing a public benefit, would not necessarily achieve the charity's aims.

The operational risks from the funding of specialised surgical equipment are managed by the appointment of clinical experts as trustees who advise the trustees as a whole on the efficacy of the equipment and its innovative nature. The clinical experts, as the primary users of the equipment, provide assurance that the equipment is not appropriated by others. All funding grants for specialised surgical equipment are agreed by the trustee body as a whole to ensure the risks noted above are appropriately managed.

Financial review

The principal funding sources of the charity is made up of individual donations, typically from patients of the Oxford University Hospitals NHS Foundation Trust or their relatives, together with Gift Aid where the donor has provided the appropriate declaration. In addition, events may be held to raise funds where income is generated both by the sale of tickets to the event and charity auctions or other donations provided during the event. Where donations exceed the immediate funding requirements of the charity the excess is invested in interest bearing bank accounts or investments in accordance with the investment policy (see below) and the dividends and interest from these investments provides funding for the charity.

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TRUSTEES' ANNUAL REPORT (CONTINUED)

During the year, the charity received £12,530 of non-recurring donations (2015 - £15,903) and £8,235 of recurring donations (2015 - £9,098), including relevant Gift Aid. Investment income amounted to £13,800 (2015 - £12,300). No fundraising events were held this year (2015 an event held at Ditchley Park contributed a net £3,701).

As noted in achievements and performance above the charity maintained its funding of a research fellow at a cost of £9,937 (2015 - £120,000) reflecting the sponsorship of tuition fees. In addition, the creation in the year of a cancer survivorship quality of life website whose purpose was to collect data for subsequent research was funded at a cost of £6,250. The charity also provided funding of £56 to maintain the Oxford Colorectal Department website. No equipment was donated in the year to the Oxford University Hospitals NHS Foundation Trust (2015 laparoscopic equipment with a value of £6,616).

The Oxford University Hospitals NHS Foundation Trust employs a part time administrator who undertakes work on behalf of the charity, both in respect of charitable activities through providing support for the education and training undertaken by the Oxford University Hospitals NHS Foundation Trust Department of Colorectal Surgery and in respect of fundraising through organising events and dealing with the external communications to donors. The recharge of these costs for the year amounted to £12,352 (2015 - £11,716).

As the charity has no employees it has no employment or pension obligations.

The overall result of the activity during the year was a surplus for the year of £23,049 (2015 – deficit £95,353) of which £21,437 (2015 - £2,815) was represented by net gains on investments.

The balance of funds was increased to £498,131 at 31 December 2016 from £475,082 at 31 December 2015. As noted in the reserves policy section which follows the charity has sufficient reserves to fulfil its commitments.

Investments and investment policy

The trustees review the investment policy on an annual basis to ensure that it reflects the needs of the charity. The objective of the policy is to invest funds that are not anticipated to be used within the next twelve months in a mix of Equity and Fixed Interest funds. The balance between Equity and Fixed Interest funds is reviewed during the trustees' meetings and where more than 50% is invested in Equity funds the treasurer provides a monthly report to the trustees to confirm that the risk profile remains appropriate.

The trustees have determined that, in common with many other UK charities, the charity should invest funds that are not anticipated to be used within the next twelve months in the sub-funds of FP CAF Investment Fund ("FPCAF"), which is an open-ended investment company whose Authorised Corporate Director ("ACD") may, with the approval of the Financial Conduct Authority ("FCA"), establish different funds from time to time. FPCAF's Investment Manager is Octopus Investments Limited, and its ACD is Fund Partners Limited, both which are authorised and regulated by the FCA.

The FPCAF sub-funds in which the charity has invested are:

- the FP CAF UK Equity Fund which invests primarily in UK equities and aims to achieve capital growth over the medium to longer term which is in excess of the UK equity market average; and
- the FP CAF Fixed Interest Fund which invests primarily in global fixed interest securities and aims to achieve a balance of income and capital growth over the medium to longer term, the total of which is in excess of that of the Global Fixed Interest market, hedged into £Sterling.

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TRUSTEES' ANNUAL REPORT (CONTINUED)

Investments are shown in the balance sheet at market value of £479,070 at 31 December 2016 (2015 - £468,133). These comprise holdings of £233,691 (2015 - £233,399) in the FP CAF Fixed Interest Fund and £245,379 (2015 - £234,734) in the FP CAF UK Equity Fund, after disposing of investments for £10,500 as part of the treasury policy to meet short term funding requirements.

The trustees have determined that funds anticipated to be required within three months should be held in an account provided by the charity's bankers. Cash balances at the end of the year stood at £29,463 (2015 - £67,996) of which £18,589 (2015 - £53,156) was held in an interest-bearing account. The reduction in cash balances reflected the payment in the year of the research fellowship.

Unrealised gains arising during the year on the charity's investments were £21,437 (2015 - £2,815) after accounting for disposals with a fair value of £10,500. Investment income from investments and interest was £13,800 (2015 - £12,300).

The estimated income yield on investments has been 1.8% (2015 - 2.6%) and the estimated aggregate return on investments (including both capital growth and income yield) has been 8.7% (2015 - 3.2%). The overall investment yield continues to exceed the interest-bearing account yield.

Taxation

The charity is entitled to those exemptions from UK taxation which are available in law to charities.

Reserves policy

The trustees' policy is that so far as possible the annual income of the charity should be applied exclusively towards its charitable activities, as at present it has minimal administrative expenses. However, the trustees recognise that reserves will fluctuate, as its income in any year is to a large extent unpredictable and unlikely to match precisely opportunities for expenditure to meet its objectives.

The balance of funds at the 31 December 2016 amounted to £498,131 (2015 - £ 475,082). Whilst there are no identified significant projects currently under review it is the opinion of the trustees that a minimum of £200,000 is likely to be needed to meet the periodical needs for technological updates of existing equipment not funded by the National Health Service. The balance of £298,131 is considered a free reserve and is available to provide grants that meet the charity's policies.

Remuneration Policy

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration or expenses were paid in the year.

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

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TRUSTEES' ANNUAL REPORT (CONTINUED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The charity trustees are responsible for preparing a trustees' annual report and 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 requires the charity trustees to prepare financial statements for each 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, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the applicable Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures that must be 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 that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on 3 April 2017 and signed on their behalf by:

Professor Neil Mortensen

Oxford

3 April 2017

INDEPENDENT EXAMINER'S REPORT

to the Trustees of the Occtopus Oxford Colon Cancer Trust

I report on the accounts of the Occtopus Oxford Colon Cancer Trust for the year ended 31 December 2016, which are set out on pages 12 to 24.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act), and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145 (5)(b) of the 2011 Act); and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act;
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached, other than Note 1 on page 15 which states that 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.

Stephen Dexter FCA
Grove
3 April 2017

OCCTOPUS OXFORD COLON CANCER TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2016

		2016		2015	
	Note	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income and endowments from:					
Donations and legacies	3	20,765	25,001	-	25,001
Other trading activities	4	-	13,997	-	13,997
Investments	5	13,800	12,300	-	12,300
Total		34,565	51,298	-	51,298
Expenditure on:					
Raising funds	7	10,534	16,992	-	16,992
Charitable activities	8	22,419	66,096	66,378	132,474
Total		32,953	83,088	66,378	149,466
Net income/(expenditure) and net movement in funds before gains and losses on investments					
		1,612	(31,790)	(66,378)	(98,168)
Net gains on investments	9	21,437	2,815	-	2,815
Net Movement in funds		23,049	(28,975)	(66,378)	(95,353)
Reconciliation of funds:					
Total funds brought forward	12	475,082	504,057	66,378	570,435
Total funds carried forward	12	498,131	475,082	-	475,082

The notes at pages 15 to 24 form part of these accounts.

OCCTOPUS OXFORD COLON CANCER TRUST

BALANCE SHEET

At 31 December 2016

	Note	2016 Total Funds £	2015 Total Funds £
Fixed assets			
Investments	9	<u>479,070</u>	<u>468,133</u>
Current assets			
Debtors		8	544
Cash		<u>29,463</u>	<u>67,996</u>
Total current assets	10	<u>29,471</u>	<u>68,540</u>
Current liabilities			
Creditors and accruals	11	<u>10,410</u>	<u>61,591</u>
Net current assets		<u>19,061</u>	<u>6,949</u>
Net Assets		<u>498,131</u>	<u>475,082</u>
The Funds of the Charity			
Unrestricted income funds	12	<u>498,131</u>	<u>475,082</u>

The notes at pages 15 to 24 form part of these accounts.

Approved by the trustees on 3 April 2017 and signed on their behalf by:

Professor Neil Mortensen

OCCTOPUS OXFORD COLON CANCER TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Note	2016 Total Funds £	2015 Total Funds £
Cashflows from Operating Activities:			
Net cash used in operating activities	13	(62,833)	(59,275)
Cash flows from investing activities:			
Proceeds from sale of investments	9	10,500	-
Dividends and interest from investments	5	13,800	12,300
Change in cash and cash equivalents in the year		(38,533)	(46,975)
Cash and cash equivalent brought forward	10	67,996	114,971
Cash and cash equivalent carried forward	10	<u>29,463</u>	<u>67,996</u>

The notes at pages 15 to 24 form part of these accounts.

OCCTOPUS OXFORD COLON CANCER TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

1. Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: 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 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. With respect to the next reporting period, 2017, the most significant areas of uncertainty that affect the carrying value of assets held by the charity are the level of investment return and the performance of investment markets (see the investment policy and risk management sections of the trustees' annual report for more information).

(b) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There was a single restricted fund which was restricted to expenditure on "high tech" surgical instruments to be used in the computer integrated operating theatre in the Cancer Centre at The Churchill Hospital site, on assisting to fund a research fellow appointment and on other equipment used in surgical procedures. This fund was fully utilised in 2015.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

(c) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations are recognised when the charity has been notified in writing of both the amount and settlement date, or a cheque has been received. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Distributions are recognised once the distribution has been declared and notification has been received of the distribution due. This is normally upon notification by the fund manager.

(d) Expenditure recognition

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payment(s), settlement is probable and the effect of discounting is material.

The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the charity.

OCCTOPUS OXFORD COLON CANCER TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

(e) Irrecoverable VAT

The charity is not registered for VAT so irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(f) Allocation of support and governance costs

The Charity has no specific governance costs, which comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice, as there are no trustee costs and the Independent Examiner charges no fees for the examination. Other support costs in respect of charitable activities have been apportioned based on an assessment of the individual cost and related activity it supports. The allocation of support and governance costs is explained in note 6.

(g) Costs of raising funds

The costs of generating funds consist of the allocation of support costs identified as directly related to the cost of generating funds and the costs of specific events whose purpose is to raise funds.

(h) Charitable activities

Costs of charitable activities include grants made, surgical equipment provided and an apportionment of support costs.

(i) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors.

(j) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(k) Pensions

The charity has no employees and no pension obligations.

OCCTOPUS OXFORD COLON CANCER TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

(l) Debtors

Debtors are recognised at their recoverable amount (the amount the charity anticipates it will receive from a debt or the amount it has paid in advance for goods and services).

(n) Cash at bank and in hand

Cash at bank and in hand is held to meet short term cash commitments as they fall due. Cash equivalents are short term highly liquid investments readily convertible to known amounts of cash and are subject to an insignificant change in value. A cash equivalent has a short term maturity which is not expected to exceed three months.

(m) Liabilities

Liabilities are amounts due to creditors and any provision made as a result of an obligation to transfer economic benefit, normally as a cash payment, to a third party. A liability is recognised as the amount that the charity anticipates it will pay to settle the obligation or the amount it has received as an advanced payment for goods or services it must provide.

(n) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

2. Related party transactions and trustees' remuneration and expenses

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2015 £Nil).

The trustees have made no claims for expenses during the year (2015 £Nil).

Mr George and Mr Cunningham are directly employed by, and hold senior positions at, the Oxford University Hospitals NHS Foundation Trust which the trustees consider to be a related party.

During the year, the charity refunded the salary costs of the Administrator to the Oxford University Hospitals NHS Foundation Trust. The Administrator is an employee of the Oxford University Hospitals NHS Foundation Trust and is released to work for the charity for two days per week at a cost of £12,352 (2015 £11,716). This arrangement is reviewed by the trustees on an annual basis.

OCCTOPUS OXFORD COLON CANCER TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

3. Donations and legacies

Donations and legacies during the year were as follows:

Donations and legacies	Income under gift aid	Income not under gift aid	Tax recoverable on income	Total income	Total income
	2016	2016	2016	2016	2015
	£	£	£	£	£
Recurring donations	6,260	410	1,565	8,235	9,098
Other donations	3,350	8,342	838	12,530	15,903
Total donations	9,610	8,752	2,403	20,765	25,001

4. Other trading activities

	2016	2015
	£	£
Ditchley Dinner Event	-	13,997

5. Investment income

Investment income comprises:

	2016	2015
	£	£
Fund distributions	13,780	12,258
Interest on bank deposits	20	42
Total	13,800	12,300

6. Allocation of governance and support costs

All governance activities are carried out by the trustees or the independent examiner and as they are not remunerated and have claimed no expenses the governance costs are £Nil (2015 - £Nil).

OCCTOPUS OXFORD COLON CANCER TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

The allocation of support costs between expenditure on an activity basis is shown in the table below:

Cost Type	Raising funds		Charitable Activities	Basis
	Donations and legacies %	Other trading activities %	Education and training %	
Administrator recharges	50%	0%	50%	Time spent
Just Giving charges	100%	0%	0%	Actual cost
Web site and publicity	100%	0%	0%	Actual cost
Printing and stationery	100%	0%	0%	Actual cost

The time spent by the Administrator was allocated between the various activities based on an assessment of the time taken in undertaking those activities. As there were no events held this year there was no allocation of cost to other trading activities.

7. Expenditure on raising funds

	2016 £	2015 £
Donations and legacies		
Administrator recharges	6,176	4,686
Just Giving charges	494	310
Web site and publicity	3,864	528
	10,534	5,524
Other trading activities - fundraising events		
Ditchley dinner	-	10,296
Administrator recharges	-	1,172
	-	11,468
	10,534	16,992

OCCTOPUS OXFORD COLON CANCER TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

8. Expenditure on charitable activities

	2016 £	2015 £
Grant funding made		
Funding research fellowship	9,937	120,000
Surgical equipment grants		
Operating theatre equipment	-	6,616
Colorectal website costs	6,306	-
	6,306	6,616
Education and training		
Administrator recharges	6,176	5,858
	<u>22,419</u>	<u>132,474</u>

The grant was made to the Nuffield Department of Surgical Sciences to fund a research fellowship focused on the procedure of Transanal Total Mesorectal Excision.

9. Fixed asset investments

	2016 £	2015 £
Movements in investments comprised:		
Fair value at the beginning of the year	468,133	465,318
Disposals at carrying value	(10,500)	-
Net gains on revaluation of investments	21,437	2,815
Fair value at the end of the year	<u>479,070</u>	<u>468,133</u>

OCCTOPUS OXFORD COLON CANCER TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

Investments at original cost comprised:

	Cost		
	2016	Disposals	2015
	£	£	£
FP CAF Fixed Interest Fund (B Income)	137,617	(2,383)	140,000
FP CAF Fixed UK Equity Fund (B Income)	219,982	(5,018)	225,000
	357,599	(7,401)	365,000

Investments at fair value comprised:

	Market Value			
	2016	Revaluation	Disposals	2015
	£	£	£	£
FP CAF Fixed Interest Fund (B Income)	233,691	5,542	(5,250)	233,399
FP CAF Fixed UK Equity Fund (B Income)	245,379	15,895	(5,250)	234,734
	479,070	21,437	(10,500)	468,133

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

The main risk to the charity from financial instruments lies in the performance of the instruments and the liquidity risks relating to the instruments.

The two instruments invested in by the charity are both sponsored by CAF Investments Ltd and are focused on outperforming the FTSE All Share index in the case of the FP CAF UK Equity Fund ("the Equity Fund") and on outperforming the Global Fixed Interest market average in the case of the FP CAF Fixed Interest Fund ("The Income Fund"). The mix of equity and income funds were chosen by the trustees as they provide an element of natural hedge.

During the year both funds were impacted by overall market uncertainty. Market uncertainty over the United Kingdom European Union membership referendum held on 23 June 2016 led to volatility both before and after the results of the referendum were announced. However, during the second half of the year both funds improved significantly, with the Equity Fund showing a capital growth of 9.0% over the year and the Income Fund showing a capital growth of 4.6% over the year.

Liquidity risk is assessed to be low as all assets are regulated by the FCA. The charity's investments can be traded through CAF Investments Ltd with settlement typically within six days and consequently have good liquidity. During the year the charity disposed of assets with a value of £10,500 to meet its funding obligations.

The charity has no investment holdings in markets subject to exchange controls or trading restrictions. The charity manages these investment risks by operating an investment policy that provides for diversification of holdings between income and equity funds. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term total return.

OCCTOPUS OXFORD COLON CANCER TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

10. Current assets

	2016	2015
	£	£
Debtors and prepayments	8	544
Current account	10,874	14,840
Deposit account	18,589	53,156
Cash at bank	29,463	67,996
	<u>29,471</u>	<u>68,540</u>

Cash at bank balances were unrestricted and are the sole components of cash and cash equivalents.

11. Creditors falling due within one year

	2016	2015
	£	£
Research fellowship funding	5,350	60,000
Administrator remuneration	2,620	1,591
Accruals and deferred income	110	-
Other creditors	2,330	-
	<u>10,410</u>	<u>61,591</u>

In 2015 the trustees accrued as a liability grants payable for a research fellowship based on funding for two years. The charity had made an unconditional pledge to NDSS for the two-year period and a full accrual for the commitment was made.

12. Analysis of fund movements

	Balance brought forward	Income	Expenditure	Gains and losses	Balance carried forward
	£	£	£	£	£
Unrestricted	<u>475,082</u>	<u>34,565</u>	<u>(32,953)</u>	<u>21,437</u>	<u>498,131</u>

OCCTOPUS OXFORD COLON CANCER TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016 (Continued)

13. Reconciliation of net movement in funds to net cash flow from operating activities

	2016	2015
	£	£
Net movement in funds (as per the statement of financial activities)	23,049	(95,353)
Dividends and interest from investments	(13,800)	(12,300)
Gains on investments	(21,437)	(2,815)
Decrease in debtors	536	1,146
(Decrease)/increase in creditors	(51,181)	50,047
Net cash used in operating activities	<u>(62,833)</u>	<u>(59,275)</u>