



**THE MELVILLE TRUST
FOR THE CARE AND CURE OF CANCER**

Accounts

For The Year Ended 30 September 2017

Registered Scottish Charity No. SC010302

THE MELVILLE TRUST FOR THE CARE AND CURE OF CANCER

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THE MELVILLE TRUST FOR THE CARE AND CURE OF CANCER

Trustees' Report

For the year ended 30 September 2017

The financial statements are prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Trust Deed, and 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:

Trust Purposes: In accordance with the provisions of the Melville Trust Order Confirmation Act 1922, as amended by the 1952 Melville Trust Scheme and the Melville Trust Order Confirmation Act 1962, the objects of the trust are generally the care and cure of cancer and in pursuance thereof of advancing by investigation, research or otherwise in any way knowledge with regard to the causes of cancer and if possible of curing or alleviating cancer.

In carrying into effect the objects of the trust the trustees shall be entitled, if they think fit, to do, or make arrangements for the doing through others of, all or any of the following things:

To make and promote investigations into all matters connected with or bearing on the causes, distribution, symptoms, pathology, prevention, treatment, alleviation and cure of cancer in all its forms; to encourage researches on the subject of cancer; to assist in the development of cancer research in hospitals and institutions approved by the trustees; and generally to provide all necessary means for systematic investigation into the causes, distribution, symptoms, pathology, prevention, treatment, alleviation and cure of cancer;

To examine and watch the proceedings of medical, scientific, nursing and other bodies, associations and institutions having objects similar to the trust, and to co-operate with such bodies;

To provide, equip, extend and maintain laboratories or other premises to be devoted to cancer research;

To provide and maintain by purchase, hire or otherwise any apparatus or equipment required in connection with cancer research undertaken at the instance, or with the approval, of the trustees;

To collect statistical, dietetic, topographical and other information relative to cancer;

To institute fellowships in cancer of such number and value and to be held for such period or periods and subject to such conditions as the trustees may in each case and from time to time determine;

In connection with any of the objects or purposes of the trust to undertake and to subscribe towards the publication of books, journals, papers and other documents;

To accept the funds and property of any society or body whether incorporated or not carrying on work similar to any work at the time being carried on by the trust or to amalgamate or carry into effect arrangements for the union or alliance of any such society or body with the trustees, provided always that such society or body is legally entitled to hand over such funds and property or to carry into effect such amalgamation, union or alliance.

Main Activities: The main activity of the trust is grant giving.

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Trustees' Report

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Objectives (Contd):

Grant Making Policy: The trustees are committed to supporting research of the highest quality, the outcome of which will make a contribution to improving the health of the nation in the areas of care and cure of cancer. The trustees continue to review the grant making policy to ensure funding is targeted efficiently and in the accounting period the following award schemes were

Funding was made available for three-year PhD studentships to include student stipend, contributions to laboratory expenses and fees. The application must be made by a recognised Scottish University/Research Institution (the Administering Institution) in South East Scotland, including institutions in Dundee, St Andrews and Edinburgh. The Administering Institution undertakes to deliver a first-class PhD studentship programme, incorporating both academic and commercial research training tailored to research into any matters relating to the care and cure of cancer. It is very unlikely that a Principal Supervisor will be awarded more than one PhD studentship to run concurrently. However, they are permitted to make an application for a PhD studentship which will commence after the planned completion date of a currently held award. Any supervisor named on more than one PhD studentship award and/or application, which will run concurrently, should provide clear evidence of their and their laboratory's capacity to support more than one student. The Administering Institution must provide a Set-Up Report to the trustees three months after the start of the studentship to confirm that the studentship is in progress and all named personnel are in place. Annual Reports are required during the term of the studentship and should include confirmation by the Administering Institution that the studentship is still in progress, that the student supported by the award is still in post, all supervisors as named remain involved, and that the money paid has been applied for the purposes of the studentship. The annual payment will not be made until such time as a satisfactory report is received.

The trustees also invited applications for vacation scholarships. These awards provide promising undergraduates with hands-on experience of cancer research during the summer vacation, with the aim of encouraging them to consider a career in research. Scholarships are available for six to eight weeks' work and currently provide a stipend of £300 per week, which will be paid after receipt and approval of the formal short report of the work conducted. Student applicants must be at a university within the UK or Republic of Ireland, registered for a basic science, medicine, dentistry or veterinary degree and must not have graduated by the time of commencing their vacation scholarship period. The sponsoring laboratory must be in the Lothians, Fife, Tayside or Borders. Scholarships are not available for the completion of student projects that are part of the normal degree course, or for students wishing to undertake research in laboratories outside the Lothians, Fife, Tayside or Borders. Only one application is permitted per student and/or per Project Supervisor.

All applications are initially reviewed by a Scientific Advisory Committee which comprises of representatives from the Royal College of Surgeons, the Royal College of Physicians and the University of Edinburgh. Their opinions on the applications are passed to the trustees for their consideration and final decision.

Achievements and Performance:

The trustees made charitable awards and commitments to support cancer research projects, providing training and development of medical professionals and medical students and these are set out in Note 6. This continued financial support is vital to the progress in identifying the causes of cancer and creating regimes and treatments to care for members of the public with cancer, and developing cures.

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For the year ended 30 September 2017

Financial Review: Considering the underlying market conditions and charitable commitments, the trustees are very comfortable with the financial position.

All funds are unrestricted. The closing balance of funds is £3,866,288 (2016; £3,881,949).

The trust relies on income to fund its activities. Investment income for the period amounted to £156,545 (2016: £152,388), including an accrued figure of £14,178 (2016; £17,191). Charitable awards of £262,617 (2016; £87,168) were made or committed relative to the accounting period, while unused awards totalling £18,173 (2016; £2,418) have been written back. The trustees report net expenditure for the period of £15,661 (2016: £415,781 net income) after realised and unrealised gains on investments of £117,638 (2016; overall gains of £391,301). This deficit reflects the impact of the new PhD studentship scheme and the trustees are secure in the knowledge adequate financial provision is available to meet the commitments.

The trustees are satisfied with the performance of the trust portfolio over the period. Overall investment gains amounted to £117,638 (realised losses of £30,910 and unrealised gains of £148,548). On a total return basis the portfolio showed a positive return of 7.33% over the year to 30 September 2017 and this compares with the benchmark return of 8.94%. The benchmark is a composite one comprised of the following index weightings; 2.5% 7 Day Libor, 4.5% IA Property, 6.5% IA Targeted Absolute Return, 11.0% FTSE Govt All Stocks, 7.0% iBoxx UK Sterling Corporate 7-10 Years, 37.5% FTSE All Share Index, 31.0% FTSE World (ex UK) Index. This reflects the underlying composition of the trust portfolio although the trustees are aware Brewin Dolphin may from time to time adopt overweight or underweight positions relative to the benchmark depending on market conditions. The trustees will continue to monitor the performance of the trust portfolio and take action as necessary.

Investment Policy: In accordance with the trust governing documentation and statutory provision, the trustees have the power to invest in such stocks, shares and investments in the United Kingdom or overseas as they in their sole discretion think fit. The trustees have engaged Brewin Dolphin Limited as investment manager and the portfolio is reviewed on a discretionary basis. During the year the trustees decided to adopt the revised Brewin Dolphin risk categories and agreed a moderate investment risk profile to reflect the circumstances of the charity. The trustees are prepared to have the significant majority of the charity's investments in equities in order to achieve higher returns at the expense of greater risk to the capital. The portfolio will typically have a substantial higher weighting towards equities than fixed income investments and is likely to have moderate market volatility. This policy will be reviewed on a regular basis. No direct investment is permitted in tobacco companies.

Reserves Policy: The trustees maintain a sufficient level of reserves to maintain the grants awarded in the event of a significant reduction in income.

Risk Management: The trustees have assessed the risks to which the trust is exposed and are satisfied that systems are in place to mitigate those risks. The most significant areas of uncertainty are the level of investment return and overall performance over time of the mix of assets in the portfolio in volatile markets. These areas are regularly reviewed by both the investment manager and the trustees.

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For the year ended 30 September 2017

Related Parties: No remuneration or expenses were paid to any trustees (2016; £nil).

Future Activities: The trustees continue to review the grant making policy to ensure funding is targeted efficiently. In the accounting period ending 30 September 2018 the trustees intend to continue to invite applications for vacation scholarships and PhD studentships.

Structure, Governance and Management:

Overview: The trust fund is held in accordance with the provisions of the Melville Trust Order Confirmation Act 1922, as amended by the 1952 Melville Trust Scheme and the Melville Trust Order Confirmation Act 1962.

Trustee Tenure: The Melville Trust Order Confirmation Act 1922 defined the trustees as; the Vice Dean of the Faculty of Advocates (ex-officio), the Deputy Keeper of the Signet (ex-officio), and such person from time to time appointed a trustee as hereinafter provided by the Merchant Company.

The Act provided power for the trustees to appoint an additional six trustees (or other number approved by the Court) by minute of appointment.

The 1952 Melville Trust Scheme enabled The University of Edinburgh, The Royal College of Physicians of Edinburgh and The Royal College of Surgeons of Edinburgh to each nominate one person to be appointed trustees.

All appointed trustees shall hold office for such period not exceeding five years as the trustees shall in each case prescribe and on the expiration of term of office such trustees shall be eligible for re-appointment.

At trustee meetings the trustees review the control functions of the trust and consider the merits of appointing new trustees who can add value to the management of the charity. The trustee induction process involves awareness of a trustee's responsibilities, the governing document, administration procedures, and the history of the charity. A new trustee should receive a copy of the previous year's account and also an extract from the Charities and Trustee Investment (Scotland) Act 2005 relating to the duties and responsibilities of running a charity.

Scientific Advisory Committee: To assist the trustees in carrying out the objects of the trust and advising the trustees with reference thereto and particularly on the steps to be taken in relation to research work, the 1952 Scheme constituted a standing Scientific Advisory Committee. This Committee consists of three representatives suitably qualified from each of The University of Edinburgh, The Royal College of Physicians of Edinburgh and The Royal College of Surgeons of Edinburgh, to be nominated by these bodies respectively. Such representatives shall hold office for such period not exceeding five years as may be prescribed in each case by the body appointing them, but they shall all be eligible for re-appointment on the expiration of their respective terms of office. A number of Scientific Advisory Committee appointments have ended and the trustees have made contact with the respective bodies to nominate replacements.

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Trustees' Report

For the year ended 30 September 2017

Structure, Governance and Management (Contd):

Charitable Status: The trust is a registered Scottish charity. As such, the trustees must ensure the circumstances and operations of the trust continue to meet the charity test and the trustees are required to comply with their statutory duty to supply information to the Scottish Charity Regulator, the Office of the Scottish Charity Regulator.

Reference and Administrative Details:

Charity Number: SC010302

Address of Principal Office: Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

Trustees: Angela Grahame QC, Vice Dean of the Faculty of Advocates (ex-officio)
Caroline Docherty DKS, Deputy Keeper of Her Majesty's Signet (ex-officio)
Leonard Wallace BA, LLB, Dip LP, representative of the Merchant Company
Professor Marie Fallon - nominated by The University of Edinburgh
Professor David Harrison - nominated by The Royal College of Physicians (Chairman)
Professor O James Garden - nominated by The Royal College of Surgeons

Bankers: Bank of Scotland
33 Old Broad Street
London
PO Box 1000
BX2 1LB

Solicitors and Administrators: Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

Investment Manager: Brewin Dolphin Limited
Sixth Floor
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Auditor: Chiene + Tait LLP
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

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Trustees' Report

For the year ended 30 September 2017

Reference and Administrative Details (Contd):

Scientific Advisory Committee: Representatives of The University of Edinburgh in place at date of approval of accounts:
None

Representatives of The Royal College of Physicians in place at date of approval of accounts:
Professor David J Harrison
Dr William A H Wallace
Dr Caroline Michie

Representatives of The Royal College of Surgeons in place at date of approval of accounts:
Dr Stefan Symeonides
Dr Simon Wilkinson

Trustees' Responsibilities:

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

The law applicable to charities in Scotland requires the trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (Charities SORP (FRS102))
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis, unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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.

The foregoing Report and the Accounts annexed were approved by the trustees and signed on their behalf by:



.....
Professor David Harrison, trustee



..... Date

THE MELVILLE TRUST FOR THE CARE AND CURE OF CANCER

Statement of Financial Activities

For the year ended 30 September 2017

	Notes	Unrestricted Total Funds 2017 £	Unrestricted Total Funds 2016 £
Income and Endowments From:			
Investments	4	156,545	152,388
Total Income		<u>156,545</u>	<u>152,388</u>
Expenditure on:			
Raising Funds			
Investment Management Costs	5	(21,706)	(20,238)
Charitable Activities			
Charitable Payments	6	(244,444)	(84,750)
Governance and Support Costs	7	(23,694)	(22,920)
Total Expenditure		<u>(289,844)</u>	<u>(127,908)</u>
Net (Expenditure)/Income Before Investment Gains/(Losses)		<u>(133,299)</u>	<u>24,480</u>
Net Realised (Losses) on Investments	8	(30,910)	(3,197)
Net Unrealised Gains on Investments	8	148,548	394,498
Total Net Gains on Investments		<u>117,638</u>	<u>391,301</u>
Net (Expenditure)/Income and Net Movement in Funds		(15,661)	415,781
Reconciliation of Funds			
Total Funds as at 30 September 2016		3,881,949	3,466,168
Total Funds as at 30 September 2017		<u><u>3,866,288</u></u>	<u><u>3,881,949</u></u>

The notes on pages 10 - 15 form part of these accounts.

The charity has no recognised gains or losses other than the results for the year as set out as above.

All of the activities are classed as continuing.

All funds are unrestricted.