

FUNDING A CURE



What's it like to have a job that involves saving lives for a living? Cancer Research UK head of treasury Catherine Porter reveals all

Words: **Sally Percy** / Photos: **Will Amlot**

Everyone reading this article will know someone who has had cancer. You may even have suffered from it personally. The statistic that more than one in three people in the UK will develop cancer at some point in their lifetime is fairly well known, but what is less often talked about is the fact that cancer patients' survival rates have doubled in the past 40 years. Whereas cancer was once a near-certain death sentence, now it is a disease that many people recover from.

This change in outcomes has much to do with Cancer Research UK and similar charities around the world, which fund the work of scientists in laboratories as well as doctors and nurses who carry out pioneering treatment for patients. Cancer Research UK's scientists and doctors have contributed to the development of some of the world's top cancer drugs, including tamoxifen and Herceptin, which are used to treat breast cancer, and the brain tumour drug temozolomide. It also pioneered the use of radiotherapy to treat cancer, a treatment that is used by tens of thousands of patients annually.

Catherine Porter, Cancer Research UK's head of treasury, is the woman in charge of making sure that the charity's formidable funding commitments are met. "The onus is on me to do the right thing for the organisation and its strategies, as well as the people who donate money and want to see an outcome from science," she explains. "I have a responsibility to the charity's vision to bring forward the day when all cancers are cured." In the financial year ending 31 March 2013, Cancer Research UK carried out £351m worth of research by supporting more than 4,000 scientists, doctors and nurses across the UK. It is also committed to funding the remaining £100m share of the £650m needed to develop The Francis Crick Institute, which will be the largest biomedical research facility in Europe when it opens in London in 2015.

Cancer Research UK is the UK's biggest fundraising charity and last year it generated £460m from a range of activities, including Race for Life, the popular women's race that raises money for more than 200 types of cancer that affect both sexes, as well as new initiatives such as Dryathlon™ (where social drinkers give up alcohol for January), and a joint campaign with Channel 4 called *Stand Up to Cancer*, broadcast in October 2012. Overall, 80% of the money raised was available to beat cancer and the remainder was invested to generate future funds. "We have a very driven and innovative fundraising team," says Porter, explaining that commitment to the cause is embedded in the culture of the

organisation. Staff members are active in raising funds and Porter herself has benefited from the help of a City investment banker who volunteered for several months, helping to develop information tools for the treasury team and putting together an investment performance model.

"There's a lot of money coming in and a lot of money going out," is how Porter sums up the charity's cash flows. She says this is why Cancer Research UK needs a dedicated treasury professional rather than tacking treasury responsibilities onto the FD's role, which is often the case in a smaller charity. She sees it as an important part of her job to communicate what she does and why within the organisation. She is also conscious of the difficult economic climate, which has squeezed the not-for-profit sector over the past five years, and recognises the importance of managing the charity's money responsibly. At the end of March 2013, the charity held almost four months' future cash outflows in reserve, down from five months in 2011, and it maintains a minimum reserve level of two months' cash outflows. "Managing reserve levels is about balancing financial risk and ensuring that our short- and long-term commitments are delivered," says Porter. "We achieve that balance while keeping an eye on the planning horizon. Of course, we need to allow for the unpredictability of the timing of receipt of our fundraising income. But I think it's efficient." She does monitor cash flows closely, however. "In the bigger picture, I know we have enough cash to do the things that we want to do to support our charitable aims and infrastructure."

Cancer Research UK's cash reserves of £179m are defensively invested, mostly in money market funds with some layered bank deposits and a couple of 'cash plus' funds, offering slightly higher rewards over the longer term. The charity also has a separately managed short-dated bond fund. "Decisions about longer term or strategic investment would be taken to fit with our strategic spending plan," Porter explains. "Supporters don't expect Cancer Research UK to be saving money; they want it invested in fighting cancer." Porter feels comfortable with the level of counterparty risk that she manages and sleeps well at night in the knowledge that the charity's money is sufficiently widely distributed. "We manage our finances carefully over a five-year cycle so that we are able to maintain a stable research programme that has maximum impact."



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Porter is a trustee director of Cancer Research UK’s defined benefit pension scheme, which is now closed to new entrants, but still open to new accrual. She also sits on the scheme’s investment committee that considers investment decisions and funding the deficit. She likes this because it gives her a different perspective on managing money compared with her treasury role. “The pension fund is invested into property and equities as well as fixed-interest investments that are aligned to the scheme’s maturity,” she says. “It’s taking a long-term approach because that is what’s appropriate.”

For the early part of her career, Porter held mainstream finance roles, training at Arthur Andersen and then moving into industry with shipping company P&O Nedlloyd. Her decision to switch into treasury came as she started a career break after having her first child. Reflecting on the fact that her career to date had been focused on the retrospective aspects of finance, she decided to look up treasury

on the ACT’s website and subsequently had a “light-bulb moment”. “I realised that treasury was external and forward-looking,” she recalls. “I thought that it would not only improve my skill set, but it also looked really interesting.” She passed the AMCT within a year, working around her baby’s sleep times, then returned to work, securing a part-time job as treasury and risk manager with hearing implant manufacturer Cochlear. Having the option to work part-time is vital to helping women stay on the career ladder while their children are young, and good for the organisations that employ them, Porter says. “It’s daft to lose all that experience from your organisation because you’re demanding that women come back five days a week.”

Then, in 2010, she got her treasury “big break” when she landed the role at Cancer Research UK. Having worked in industry until that point, did she find working for a charity a big culture shock? “In any organisation, there are governance structures and meetings,” she responds. “Cancer Research UK is a

VITAL STATISTICS

1902 the year Cancer Research Fund (later to become Cancer Research UK) was founded	4,000+ the number of scientists, doctors and nurses across the UK that are supported by Cancer Research UK	£537m Cancer Research UK’s income for the financial year ending 31 March 2013	20% the fall in death rates from cancer since 1992-94	2 the number of people in Cancer Research UK’s treasury team	£351m the cost of research activities carried out by Cancer Research UK in the 2012/13 financial year	£2.3m Cancer Research UK’s investment income in 2012/13	£142.5m the amount Cancer Research UK received from legacies in 2012/13
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Cancer Research UK aims to raise £100m through its 'Create the Change' campaign to help build The Francis Crick Institute. For more information, visit: www.cancerresearchuk.org/createthechange

big organisation. So it has the kind of structures that you would expect to find in a large, well-organised enterprise." She adds: "There are a lot of people who work in charities who have corporate backgrounds, and charities want to be professional. There is a great deal of money involved and big, serious projects going on, so it's not that different from working in commerce in many ways."

With the AMCT under her belt, Porter decided to tackle the MCT in September 2011. "I saw it as the completion of my formal education," she recalls. Studying for the MCT was totally different from studying for the earlier qualification. Whereas the AMCT was about facts, the MCT was much broader. "It was much more like an MBA," says Porter. "There was more resource material to look at and you interact a lot with other students. You use online forums and critique each other's work." Juggling the MCT with a busy job and family life was tough, Porter admits, but she's glad that she did it. "I'm really proud of my MCT. It's a really good course. For someone who is mid-career like me, it is a good rounding of your financial education, but it's a big commitment, too."

Porter is clearly passionate about both treasury and the organisation that she works for. And she's an excellent example of how you don't have to be a scientist or a doctor to support the life-saving work undertaken by Cancer Research UK and other charities. Whether you're willing to do a 10km sponsored run, stay off red wine for the month of January or turn your back on big City bonuses in favour of working for a cause that makes a difference, there is a way that each and every one of us can fight in the battle against cancer. ♥

Sally Percy is editor of *The Treasurer*

CATHERINE'S TOP TIPS FOR SUCCESS:

◆
"Use your banks and investment managers as sounding boards. They have huge infrastructure and lots of clients that they learn from."

◆
"The AMCT was a building block to set me off again with a new perspective after my career break. The MCT has broadened my knowledge and will underpin me moving into more senior roles."

◆
"My favourite gadgets are my Neff cooking appliances. They're top-of-the-range and fabulous."

◆
"Work really hard on the things that matter to you and always learn new things so that you get better at what you do."

◆
"What's the most difficult thing that my boss could say to me? It's when he or she asks: 'Could we just put together a spreadsheet that shows...' You know it's going to take a huge amount of time, data dumping and fiddling!"

◆
"The best way to unwind after a stressful day is to go to choir practice."

CATHERINE'S CURRICULUM VITAE

2010 to present

Head of treasury, Cancer Research UK

2006-2010

Treasury and risk manager, Cochlear Europe Ltd

2001-2003

European/group financial controller, MWB Business Exchange

2000-2001

European financial controller, Ibox

1998-2000

Manager, European finance and treasury, GE Capital

1993-1998

Accounting manager/financial controller roles, P&O Nedlloyd, Hamburg and Rotterdam

1988-1993

Audit trainee/senior, Arthur Andersen (London & Hamburg)

Qualifications

MCT, AMCT, ACA, ACIL (German)