

YORKSHIRE CANCER RESEARCH

ANNUAL REPORT AND ACCOUNTS

Year ended 31st March 2011

YORKSHIRE CANCER RESEARCH

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CHAIRMAN'S STATEMENT

This year represented a year of renewal for Yorkshire Cancer Research with the appointment of a new Chairman and Chief Executive. We can reflect very positively on the successes of our predecessors Dr Brenda Jackson and Mrs Elaine King who so capably led this strong and very effective charity for 14 years as Chair and Chief Executive. They leave Yorkshire Cancer Research with our immense appreciation and gratitude.

It has been a particular pleasure for me to welcome Mark Stevens as the new Chief Executive of Yorkshire Cancer Research. Mark brings a wealth of business experience to the Charity along with both the passion and vision to set in motion the ambitious plans that we have for the future.

Thanks to our supporters' generosity, during the last ten year period we have been able to fund over £40 million of world-class research here in Yorkshire, and have undoubtedly contributed to the ongoing improvements in cancer survival rates. Our strategy for the next ten years aims to build on that success and have an even greater impact on Yorkshire people's lives.

It is a sad fact that Yorkshire lags behind most of the rest of the UK in terms of cancer survival rates. While there are many excellent cancer charities, only Yorkshire Cancer Research has set its sights on closing that gap and we would hope that local people will consider supporting their local charity by helping us achieve that goal.

I would like to add my thanks to two Trustees who retired during the year after long stints of service, Professor Eddie Dawes and Professor David Holdcroft. I also welcome three new Trustees who bring additional skills and fresh perspectives to our governing body, John Abram, Andy Brown and Alan Suggett. Any organisation is only as strong as the people within it, and I inherit a group of very dedicated and talented scientists, volunteers, trustees and staff. I look forward to the future with great confidence.

CHIEF EXECUTIVE'S STATEMENT

2010/11 has been a good year on many fronts:

- Survival rates continue to increase, with nearly 50% of Yorkshire people with cancer surviving for at least 5 years;
- Yorkshire Cancer Research is now funding a record number of 192 scientists and clinicians across the region;
- Our scientists at the centres of excellence in Bradford, Hull, Leeds, Sheffield and York have delivered some remarkable scientific discoveries;
- We have made great strides forward in helping move these scientific discoveries from the lab to the patient;
- A record number of people participated in fundraising activities, leading to a 23% growth in our fundraised income (excluding gifts in wills); and
- We have introduced new skills and expertise to the charity, and put in place many of the building blocks required to support long-term growth.

The only disappointing aspect of the year relates to the income we received from gifts in wills, which dipped significantly to its lowest level since 2001, perhaps partly reflecting the current depressed levels of house prices. Given that gifts in wills represent well over half of our income this shortfall has led to our total income declining by 19% despite the strong performances and incredible support elsewhere.

In spite of this income shortfall, we have maintained our charitable expenditure at over £5.5 million, the second highest level in our 86 year history, and we continue to be amongst the most cost-efficient cancer charities in the UK. In 2011/12 we plan to increase further our funding to Yorkshire's cancer researchers and clinicians at a time when some national funders are concentrating their efforts elsewhere.

Finally, and most importantly, I would like to thank our supporters for all their donations, making a big difference in helping Yorkshire people beat cancer. We have a clear strategy for growth and are making good progress towards our long term goals. By 2020 many more people in Yorkshire will survive cancer, thanks to your ongoing generosity and our scientists' and clinicians' relentless efforts.

LOOKING AFTER THE PENNIES

Where our money comes from

We receive no funding from government and rely on our supporters for 100% of our income. Without your generous donations we couldn't support any work in Yorkshire helping people beat cancer.

Our supporters donate in a number of ways:

Legacies – gifts that people leave to Yorkshire Cancer Research in their wills

Local Committees – money raised via the activities of the 39 local volunteer committees

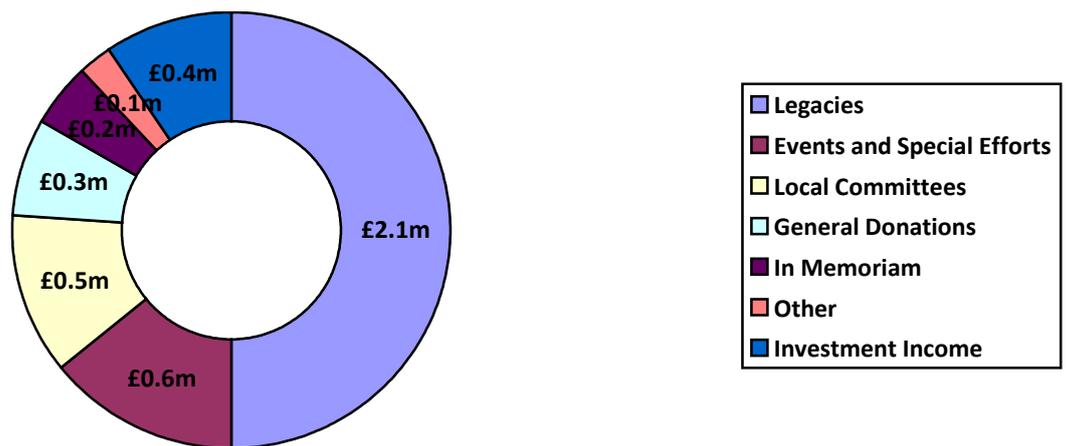
Events and Special Efforts – donations from people doing either mass-participation events or bespoke individual activities

General Donations – includes one-off and regular donations

In Memoriam – donations made in memory of loved ones

Other – includes income from corporates, trusts, gift aid, and Christmas card sales

Investment Income – the interest and dividends on the Charity's reserves



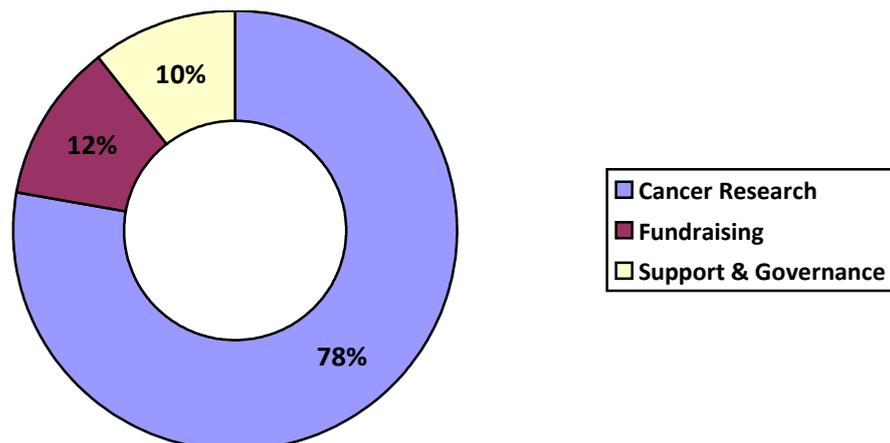
How we spend our money

We are proud that we have a very high percentage of spend on cancer research at 78%. This is one of the highest levels of all cancer charities. We keep our costs very low to ensure that more of our supporters' pounds go towards fighting cancer. We spend our money on three broad activities:

Cancer Research – our vital work developing new scientific knowledge that will save lives through earlier diagnosis, prevention, and better treatment of cancer, and helping to get that knowledge from the lab to the patient.

Fundraising – our expenditure aimed at driving donations and increasing income.

Support and Governance – our administrative expenditure to support the awarding of cancer research grants and to ensure that the Charity is governed effectively.



WITH THANKS

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

Local Volunteer Committees

Our Local Volunteer Committees are Yorkshire Cancer Research's main asset. We would like to thank each Committee for their hard work fund-raising in their local communities, and would encourage any supporters who wish to get involved in this way to get in touch. We show below the fantastic amounts raised by each Committee and their loyal supporters over the year.

Barnsley	£ 18,500	Halifax	£ 19,000	Pickering	£ 6,827
Batley	£ 11,400	Hatfield	£ 6,000	Richmond	£ 15,035
Bedale	£ 4,830	Helmsley	£ 18,500	Ripon	£ 6,115
Beverley	£ 42,344	Hornsea	£ 6,180	Selby	£ 15,500
Bingley	£ 12,107	Huddersfield	£ 28,500	Sheffield	£ 5,691
Bradford Ladies	£ 10,186	Ilkley	£ 12,770	Tadcaster	£ 59,000
Bridlington	£ 20,000	Keighley	£ 19,133	Thirsk	£ 11,660
Cottingham	£ 5,000	Leeds	£ 17,060	Thorne	£ 17,000
Driffield	£ 15,370	Malton	£ 7,500	Vale	£ 20,000
Galtres	£ 9,783	Masham	£ 7,700	Wakefield	£ 25,166
Goole	£ 8,500	Northallerton	£ 7,047	Wharfedale	£ 4,500
Great Ayton	£ 20,750	Ossett	£ 2,500	Withernsea	£ 2,300

Our Supporters

There are far too many to list by name, but we would like to thank all of our supporters who donate, volunteer, participate in events and help spread the word about our work. We would also like to thank those people and their families who so generously pledged or left money to Yorkshire Cancer Research in their will. Without these donations Yorkshire Cancer Research would not be able to continue.

Our Advisors

We also rely upon the skilled and independent input of a number of individuals who enable us to ensure that we fund the best quality scientific research.

Scientific Advisory Committee

Professor Stan Brown	(Chair)	Leeds Innovation Centre
Professor Malcolm Alison		Barts & The London School of Medicine & Dentistry
Dr James M Allan		Newcastle University
Professor Peter W Andrews		University of Sheffield
Dr Margaret Ashcroft		University College London
Dr Roger Barraclough		University of Liverpool
Professor G Eric Blair		University of Leeds
Dr Angela Cox		University of Sheffield
Professor Paul J Farrell		Imperial College London
Professor John K Field		The University of Liverpool
Professor Andy Gescher		University of Leicester
Dr David Gilham		The University of Manchester
Professor Michael J Lind		Castle Hill Hospital, Hull
Professor Alan Melcher		St James's University Hospital, Leeds
Professor Richard Poulson		Cancer Research UK, London
Professor Phil Quirke		St James's University Hospital, Leeds
Dr Rebecca Roylance		Barts & The London School of Medicine & Dentistry
Professor Michael D Threadgill		University of Bath
Professor Tony Whetton		The University of Manchester
Professor Penella J Woll		Weston Park Hospital, Sheffield
Professor Lawrence S Young		University of Birmingham Medical School

Other Special Advisors

Peter Yendell (Committee for Commercial Development)
Frank Clarke (Income Committee)

Tim Marsden (Income Committee)
Jason Saunders (Income Committee)

Our Researchers

Finally, we would like to thank the 192 Yorkshire scientists and clinicians that we funded during the year for their teams' efforts in helping people to beat cancer.

Dr K Afarinkia	Dr Mark Dickman	Professor N J Maitland	Dr A M Smith
Mr O Alhamarneh	Dr G Doody	Dr A Maraveyas	Dr S W Smye
Dr S Allison	Dr C L Eaton	Dr G Mavria	Dr Carl Smythe
Professor P W Andrews	Dr Thomas Edwards	Professor P McKinney	Professor J Southgate
Dr A Anthoney	Dr F Errington-Mais	Professor M McPherson	Miss K Southward
Dr A A Antson	Ms C Evans	Dr J Meade	Dr V Speirs
Professor S Armes	Dr P Eyers	Professor A Melcher	Professor N D Stafford
Professor K Ayscough	Dr R Falconer	Professor M Meuth	Dr G E Stephenson
Dr M Barker	Dr S E Fisher	Dr G Miller	Dr Y L Stephenson
Dr G Battaglia	Professor C Fishwick	Professor J Milner	Dr N J Stonehouse
Miss C Beaumont	Dr F Frame	Dr V Montrose	Dr C Sutton
Dr S Bell	A Frazier	Dr E E Morrison	Dr G R Taylor
Dr J Bentley	Dr A Furley	Ms M Muller	Miss M Taylor
Mr P Berry	L Georgopoulos	Dr C Murdoch	Dr Mark T W Teo
Mr R Beveridge	Dr P Gibbs	A Nicholl	Professor J Thomas-Oates
Mr R Bingham	Dr J Gill	Dr A Nicholson	Professor M Thornhill
Professor D T Bishop	Dr J Greenman	E Oldridge	Mrs E Tinkler-Hundal
Dr G E Blair	Dr S Griffin	Dr N M Orsi	Dr D Tomlinson
Mr P Bogue	Mr M Hale	Professor L H Patterson	Dr R Tooze
Dr J Bond	Professor A Hanby	Professor C Peers	Professor G Tozer
Professor C Bonifer	Mrs S Hansford	Dr D Pellacani	Professor L W Turnbull
Mr D Bottomley	Professor M Harris	Mr D Peters	Professor A Turner
Ms S E Bottomley	Dr T Helleday	Dr R M Phillips	Mr D Turner
Dr D Bowen	Miss G Hemmings	Mr M D Pickles	Professor C Twelves
Dr J Boyes	Professor M C Hollstein	Professor P W Piper	Dr C S Verbeke
Dr J E Brown	Professor S Homans	Dr P K Plant	Dr M Volpato
Professor N J Brown	Dr G J Howell	Mr A D Platts	Miss H Walker
Dr H Bryant	Dr T A Hughes	Dr E Polson	Ms J Welsh
Professor S Burchill	Dr D Hughes	Dr K Pors	Dr N P West
Dr J Burns	Professor M Hull	Professor P Quirke	Dr J Westbrook
Dr P Burns	Dr S Hunt	Professor P H Rabbitts	Dr D R Westhead
Dr J P Bury	Mrs K Hyde	Professor T Rabbitts	Mr J White
Mr T Carroll	Dr Richard Jackson	Dr J Rafferty	Dr A Whitehouse
Dr C Carter	Dr P F Jones	Professor M Reed	Dr N Wilkinson
Dr J Catto	DR C Kanthou	Dr K Reeves	Dr A J Wilson
Dr E Chapman	Dr A E Kiltie	Professor I G Rennie	Professor S Winder
Dr P Cockerill	S Klein	Dr S Richman	Dr M Wittmann
Professor R Coleman	Professor M Knowles	G Rivera	Professor P J Woll
Dr L Coletta	Dr S Ko	Mr N Roberts	Dr H Wood
Dr A Collins	P Kroon	Mr G R Rodgers	Dr S C Wright
Dr Spencer Collis	Dr D W Lambert	Mrs S Rodgers	Mr A Wright
Dr Gordon Cook	Dr P Laslo	Dr M Routledge	Dr G E Xinarianos
Dr Graham P Cook	Professor C Lewis	Dr J A Royds	Dr R Young
Dr R Cooper	Dr G P Liney	Dr C M Sanders	
Dr B Corfe	Mrs J Lister	Mrs M Scaife	
Dr D A Coverley	Dr P M Loadman	Professor P Selby	
Dr A Cox	Dr A Macdonald	Dr M Sharrard	
Dr N Cross	Dr K A MacLennan	Dr S D Shnyder	
Dr M Cummings	Professor S MacNeil	Dr K Sisley	
Dr B Davies		Professor B Sleeman	

OUR STRATEGY TO 2020

As we mark our 85th anniversary in 2010 we can reflect on the past as we set out our strategy for the future. At our foundation in 1925 the prognosis for all cancer sufferers was very poor and usually fatal.

Together with our partners in the fight against cancer we have made many breakthroughs which have greatly improved the way we prevent, diagnose, treat and deal with the after-effects of cancer. The 10 year survival rate for cancer is now approaching 50%, double the figure of 30 years ago.

Our work has been part of this vital progress and has saved the lives of many people in Yorkshire and around the world. There are now more than two million people alive in the UK who are living with or have previously had cancer.

However, it is imperative that we accelerate our progress in tackling this terrible disease. Cancer is responsible for one in four of all deaths in the UK, and it is a sad fact that Yorkshire lags behind most of the rest of the UK in terms of cancer survival rates. While there are many excellent cancer charities, only Yorkshire Cancer Research has set its sights on closing that gap, and we encourage local people to support their local charity and help save lives in Yorkshire.

In September 2010 we set out an ambitious 10 year strategy, and have begun to deliver that strategy. We believe that this strategy will increase survival rates further, particularly if we continue to attract more supporters and raise more funds. We rely entirely on the generosity of Yorkshire people. Only with your support will we be able to save lives.

Our purpose, scope, and goals

Our purpose explains why we exist. Our scope outlines what we do every day. Our goals describe what we aim to have achieved by 2020. Together they comprise our 10 year strategy and outline the public benefit that we seek to deliver.

Our purpose

Working in Yorkshire to Beat Cancer

We are Yorkshire's cancer charity. Every penny we raise we spend in Yorkshire, helping local people beat cancer by supporting world-class research, diagnosis and treatment in our region. We work throughout Yorkshire and we benefit Yorkshire people, in addition to sharing our findings to improve the lives of people worldwide.

Our scope

- We develop new scientific knowledge that will save lives through earlier diagnosis, prevention, and better treatment of cancer.
- We help get that knowledge from the laboratory to the patient.
- We help people in Yorkshire in their daily fight against cancer.
- We work in partnership with others to achieve the greatest impact in the global fight against cancer.
- We ensure that Yorkshire remains a centre of excellence for cancer research and treatment, with internationally-recognised scientists and clinicians who collaborate on a global basis.
- We aim to be the most efficient cancer charity - spending on our charitable activities the highest proportion of donations amongst our peer group.
- We give our supporters a wide choice of how they can donate and get involved.

Our goals

By 2020 we aim, together with our partners, to have achieved the following goals:

- More people in Yorkshire will survive cancer, and have a better quality of life.
- We will be helping even more people in their daily fight against cancer.
- There will have been further scientific breakthroughs from Yorkshire.
- We will have invested in science that has resulted in improvements to clinical and surgical practice, and has brought treatments to market.
- We will be funding over 300 of the best doctors and scientists – twice as many as 2010.
- We will have identified Yorkshire's next generation of leaders in cancer research.
- On a per capita basis, our income (and therefore ability to make a difference) will be in the top 5 of all UK charities – versus 17th in 2009.
- Whether you are a supporter, someone we fund, a local volunteer, or an employee, we will be recognised as a fantastic team to be a part of.
- We will have everything in place to continue to fight cancer in Yorkshire beyond 2020.

OUR ACHIEVEMENTS AND NEXT STEPS

As part of our strategy we set clear priorities and measure our achievements against them. Our trustees confirm that they have referred to the general guidance on public benefit when reviewing our activities against the objectives we set ourselves and in planning future activities.

Supporting World-Class Researchers in Yorkshire

Our Aims

We will fund the best quality scientific research into the causes and cures of cancer

We will have a broad mix of scientific awards that gives our researchers the best chance of finding breakthroughs

We will encourage other funders of cancer research to support world-class Yorkshire scientists and clinicians

We will ensure that the next generation of scientific leaders are being developed

Our Achievements

We attracted 163 applications for our scientific awards, reflecting a high demand for funding from the Yorkshire scientific community.

Using a rigorous and independently verified peer review process our Scientific Advisory Committee awarded grants to the best 39 applications, which are all scored at a minimum of internationally competitive.

We are now funding 192 researchers and clinicians across Yorkshire, whose findings were shared through 325 peer reviewed papers, talks and posters, not only in the UK but in Australia, USA, Japan and Europe.

For a summary of their research and outcomes please visit our website www.ycr.org.uk

We committed over £840,000 in 1 year pump-priming grants thereby filling a key gap in the funding market and enabling researchers to test early ideas.

We awarded around £1.8 million in 3 year project grants across a wide range of topics in all of the major types of cancer.

We continued to fund six 5-year Programmes of research across the Universities and Medical Schools in Leeds, Sheffield, Bradford, Hull and York.

We have been supporting Sheffield University in its bid to become a Cancer Research-UK Centre and attract more funding from outside Yorkshire.

After a robust process, we appointed our first Research Fellowship, a 3 year award which enables a talented young researcher to develop their own research ideas.

We launched the PhD Studentship programme, giving 5 talented individuals a start in their research career.

Our Next Steps

We will continue to fund over £5 million p.a. of world-class research in Yorkshire.

We will increase the PhD studentship programme further.

We will launch the joint Yorkshire Cancer Research / Cancer Research UK Centre in Sheffield.

We will implement a new approach to our 5-year Programmes, ensuring that we can fund the broadest and highest quality mix of research in the region.

Helping Cancer Patients, Today and in the Future

Our Aims

We will fund work directly helping Yorkshire people beat cancer today

We will help get the scientific breakthroughs from the lab to the patient

We will begin to fund clinical research involving and helping Yorkshire patients

Our Achievements

A number of key treatments in widespread use today stem from work funded by Yorkshire Cancer Research.

Two such examples include Tamoxifen, a widely used treatment for Breast Cancer, and Olaparib, a PARP Inhibitor treatment which is currently in Phase III Clinical Trials.

Progress is not just about drug development. As an example, the programme of research led by Professor Phil Quirke at the Leeds Institute of Molecular Medicine has identified new surgical techniques in colorectal and bowel cancer which will significantly improve survival rates.

In 2010/11 we provided further financial support to Pro-Cure and Cizzle, two spin-outs which are aiming to commercialise exciting research breakthroughs and ultimately help patients.

Pro-Cure is a world-leading company in the field of cancer stem cells, particularly in prostate cancer. This company is the first in the world to be able to routinely isolate prostate cancer stem cells and is working towards delivering drugs which specifically target these cancer initiating cells.

Cizzle has developed an innovative diagnostic tool for small cell lung cancer, which has particularly low survival rates. This diagnostic tool is being developed to identify disease at a much earlier stage than ever before allowing patients the best possible chance of effective treatment.

We have funded three Clinical Fellows who are supporting Clinical Trials involving patients at Leeds and Sheffield.

We are beginning to plan for the launch of a broad set of new Clinical awards in 2011/12.

Our Next Steps

We will continue to focus on translating the research breakthroughs into work that improves outcomes for patients. As just one example, we will fund a master-class to train Yorkshire surgeons in the new technique for colorectal cancer identified through Professor Quirke's research findings.

We will grow our clinical research activities and create a new Committee for Clinical Research, involving eminent clinicians from across the UK, to identify the highest quality clinical research applications to be funded using a peer review process.

Together with the researchers and their institutions, we will put in place better processes that ensure that intellectual property within the research findings is identified and properly protected, a necessary enabler of its subsequent path from the lab to the patient.

We will involve people affected by cancer and practicing cancer health professionals and clinicians in our decisions about which scientific applications to fund.

Raising the Profile of What We Do

Our Aims

We will improve people's awareness of the vital work that we do, using PR as the main mechanism due to its cost-effectiveness

We aim to build strong support across local communities in Yorkshire and benefit from "word-of-mouth"

We will make it easy for people to get the information they need from us

We will grow our social media activities

Our Achievements

We have greatly improved our PR activities to build strong relationships with the Yorkshire press and broadcast media through more frequent and relevant press releases.

In 2010/11 the number of mentions of Yorkshire Cancer Research in the press increased markedly from around 30 per month at the start of the year to 139 in March 2011.

We also secured coverage of our work on the BBC's Look North and ITV's Calendar on a number of occasions

Our Local Volunteer Committees, comprising over 500 committed and long-standing volunteers, continue to be our main fund-raising asset, raising in excess of £500,000 from more than 100 separate events, and spreading the word out in the community.

We have continued to improve the website and have seen visitor numbers increase.

Over the year we have greatly increased the number of followers on Facebook and Twitter and are actively and frequently engaging with supporters via these new channels.

Next Steps

While we will continue to focus primarily on low-cost marketing activities such as PR, we plan to conduct a targeted marketing campaign to raise awareness of our work and seek new supporters.

We will continue to support our existing Local Volunteer Committees and encourage new people to get involved.

We will launch a new website which will make it easier for our supporters to get information about our work, enter events, or donate.

We will continue to grow our social media activities, another relatively low cost method of raising the profile of our work.

Giving our Supporters more ways to get Involved

Our Aims

We will strive to make it easier for our supporters to donate

We will provide a wide number of mass-participant events which supporters can enjoy while raising money for our work

We will support people who want to do specific bespoke fundraising activities, providing PR help, and fundraising advice

We will partner with businesses who wish to support a charity as part of their activities

We will continue to make our supporters aware of the huge difference a gift in their will can make

Our Achievements

We have launched a new direct debit facility to enable regular giving, and have improved our online donations and text-to-donate processes.

We have introduced new initiatives whereby supporters can remember loved ones whilst supporting our work at the same time.

In 2010/11 around 2,700 participants took part across 19 mass-participant events raising money for Yorkshire Cancer Research.

The biggest event in terms of income continued to be the Great North Run, with over £122,000 raised from 458 people running for Yorkshire Cancer Research.

Bounce for Sheffield was the biggest event in terms of participants with 818 people breaking the world record for a spacehopper race.

Across these bespoke activities and the mass-participation events our supporters raised a remarkable £613,000, up 23% from the previous year.

The bespoke activities ranged from a Firefighters' Sailing Challenge to a Pram Push to a night of Elvis impersonators.

We worked in partnership with an increased number of businesses whose employees' generously raised money. As just one example, the partnership with the Leeds office of law firm Squire Sanders Hammonds raised over £30,000 across the year.

The number and value of gifts in wills reduced significantly this year, but we remain very grateful to those people who pledge to support Yorkshire Cancer Research in this way.

Next Steps

We have set ourselves the target of growing income by 10% in 2011/12 and have a clear list of actions both to help our existing supporters raise money and to find new supporters of Yorkshire Cancer Research.

As some people are unable to contribute financially in these difficult economic times, we will be providing opportunities for people to get involved by volunteering.

We will continue to remind people about how a gift in their will can save lives. Gifts in wills provide over half of our overall income and without such support it is unlikely that Yorkshire Cancer Research would have sufficient scale to continue.

Developing the Best Tools for the Job

Our Aims

We will look after every penny to make sure more of our supporters' money goes towards beating cancer

We will continue to create an excellent and small internal team that is dedicated to our work

We will have a better understanding of our existing supporters and a clear approach for reaching new supporters

Our Achievements

We implemented a new accounting package and reporting processes to ensure that we are as cost-efficient as possible

Once again, Yorkshire Cancer Research is likely to have amongst the lowest costs amongst major cancer charities.

We recruited three new Trustees who bring a diverse set of skills and senior experience to our Board.

We have implemented a new personal development process, to ensure that all our colleagues can fulfil their potential.

Despite a significant increase in the levels of activity, we have kept the internal team at c. 20 FTE (Full Time Equivalent) which is lower than benchmarking of comparable charities suggests.

We began to implement a new supporter database which will enable us to improve our communications and understand the profile of our supporters.

Next Steps

We will aim to maintain our position amongst the most efficient cancer charities, spending more of our donors' money on our charitable activities than our peer group.

We will continue to focus on developing our people, without whom none of this work would be possible.

We will complete the implementation of the new supporter database and improve our communications.

STRUCTURE AND GOVERNANCE

Yorkshire Cancer Research was established in 1925 as the Yorkshire Branch of the British Empire Cancer Campaign. After becoming independent from the parent body, the charity operated in unincorporated form until 1985, when it incorporated as a company limited by guarantee. This company (number 1919823) was registered as a charity on 23 October 1985 with number 516898.

The charity was established with memorandum and articles of association which set out the charity's objects, its powers and its constitution. The main object of the charity is to promote research, principally in Yorkshire, into the causes and cures of cancer, and to propagate the results of such research.

Organisational structure

The charity is governed by its Council of Management (Council). The individuals who comprise the Council are the Trustees of the charity, and also the directors of the charitable company. Members of Council have charitable duties as Trustees and also duties under relevant company law, and are referred to in the material that follows as the Trustees.

The Trustees have legal responsibility for the strategic direction and effective governance of the charity. The trustees who served during the year to 31st March 2011 are shown below.

The Trustees met seven times during the year and are responsible for the overall control and direction of the charity, for ensuring that the charity is focussed on achieving its objects, continues to be financially sound, and uses its resources to deliver maximum benefit against its objects.

The Trustees are also responsible for assessing the risks facing the charity, defining controls to mitigate the impact of these risks, and defining the charity's longer term strategy for success.

The Charity has a Chair and a Deputy Chair of Trustees. The Chair works closely with the Chief Executive to ensure that Trustee decisions are acted upon and the charity is managed effectively. The Chair and Chief Executive work together to balance the different priorities between the Trustees' role in developing and agreeing the strategic direction of the charity, and that of the senior management team in managing the day-to-day operations of the charity to implement that strategy effectively.

The role of the Deputy Chair is to assist, and substitute for, the Chair, when and where necessary and the charity also has a Treasurer who takes primary responsibility for the charity's state of financial health.

Trustee recruitment, appointment, induction and training

Yorkshire Cancer Research currently has 13 Trustees.

Dr B P Jackson LL.D – Chair (until 09.09.2010)
Professor A W Robards OBE PhD DSc FSB – Chair (from 09.09.2010)
Mr J Abram (from 26.01.2011)
Mr D N Broderick FCA FCCA
Mr A Brown (from 09.02.2011)
Professor S B Brown BSc PhD
Professor R A Cartwright MA PhD FFPH FFOM FRCP(Edin)
Professor E A Dawes PhD DSc CChem FRSC (until 09.09.2010)
Professor P J Guillou BSc MD FRCS FRCPS FMedSci
Professor D Holdcroft MA (until 09.09.2010)
Mr P Hornby BSc ACMA – Deputy Chair (from 09.09.2010)
Mr J L Richards LLB
Mr M Rigby BA (Hons) FCA MSI
Mrs A H Senior JP BA (Hons)
Mr A M Sidebottom BA (Hons) FCA
Dr A Suggett BSc PhD FRSC HonFRCP (from 01.12.2010)

Together they provide the broad range of skills and expertise that ensure a strong Council – these include scientific expertise, strategic thinking, financial and investment management, HR skills and marketing. In addition, many of the trustees have personal experience of the impact of cancer on people's lives and so are empathetic towards the goals of the charity.

All the Trustees give freely of their time and no Trustee remuneration was paid in the year. Details of Trustee expenses and relevant third party transactions are disclosed in *note 5* to the accounts. As part of our defined policies all Trustees disclose any relevant interests and register them with the Chief Executive and withdraw from any discussions and decisions where a conflict of interest may arise.

New Trustees are selected to meet a clear person specification and to fill any specific skills gaps that have been identified. The Trustees reviewed their skills and expertise in 2010. The information gained from this audit informed the person specification for the appointment of three new Trustees during the year.

All prospective Trustees are now invited to an introductory session at which they are given a comprehensive overview of the charity's activities to ensure that they fully understand the contribution they are expected to make to our charity, before they commit to becoming a Trustee.

There is a well-established induction process for new Trustees. All new Trustees are given guidance on the structure and governance of our charity, meet with the Chief Executive and are appointed to a Committee, or a specific area of activity based on their skills and experience. New Trustees receive an induction pack of key documents ahead of their first meeting, and are given the opportunity to immerse themselves in various elements of our work. Any immediate training needs are then identified and incorporated within our Trustee development programme.

Management

The responsibility for the day to day management of the charity rests with the Chief Executive, who is also the company secretary of the company limited by guarantee.

The Chief Executive is responsible to the Trustees as a whole, but is line-managed by the Chair on behalf of the Trustees. The Chief Executive is neither a Trustee nor a director of the charitable company.

The key responsibilities of the Chief Executive are:

- **Strategic** – to challenge and support the development of the charity's strategic plan;
- **Leadership and delivery** – to deliver the charity's strategic plan and to be responsible for the management and administration of the charity within the strategic and accountability frameworks laid down by the Trustees;
- **Board support** – the Chief Executive is the company secretary and is responsible, through the Chair, to the Trustees for the implementation of their decisions. Together with the Chair, the Chief Executive works to enable the Trustees to fulfil their functions and to ensure they receive all the information and advice they need for that purpose.

The management team comprises the following individuals:

Mark Stevens (appointed 01.06.2010)	Chief Executive & Company Secretary
Elaine King (retired 31.05.2010)	Chief Executive & Company Secretary
Carole Ogle	Deputy Chief Executive
Jacki Beginn	Office Manager/ Scientific Administration Manager
Linsey Coulthard	Head of Communications
Sally Crerar	Head of Community Fundraising
Kathryn Scott	Research Liaison Officer
Morgan Williams	Commercial Development Officer
Emma Young	Head of Events

Trustee Delegation

The Trustees are permitted to delegate their powers to **committees** comprised of Trustees. They may also appoint **advisory committees** comprising Trustees and others from outside the charity and the region. The Trustees have taken advantage of these powers and are assisted in their work by a number of committees as follows:

A **Scientific Advisory Committee** (SAC) which has the continued delegated responsibility to review applications for funding on their scientific merit. The SAC is made up of one Trustee (Chairman of the SAC), the Chief Executive and both YCR funded and external research scientists. There are currently 25 members of the Committee. The Committee receives advice on each application for funding from independent scientists and clinicians around the world through a process called "peer review".

In 2011/12 we also expect to establish an advisory committee (a **Committee for Clinical Research**) to examine opportunities to fund research into the development of improved and more effective clinical procedures to deliver even greater benefits to patients. This Committee will include a number of lay members.

A **Committee for Commercial Development** drawn from our Trustees which has the responsibility to deliver patient benefit and commercial return from any developments achieved through our funded research activities. The Committee has also co-opted additional Special Advisors with relevant skills to assist it.

An **Investment Committee** made up of no fewer than two Trustees, of which one is the Treasurer, which has the responsibility to monitor and review our investment policy and the performance of the investment fund manager, and report regularly to the Trustees.

A **Compliance Committee** made up of a minimum of two Trustees which has the responsibility to monitor the operational and management processes, considering the key risks facing our charity, and making recommendations for action to the Trustees, as appropriate.

A **Nominations Committee** made up of an appropriate mix of Trustees which has the responsibility to recommend nominations for new Trustees to ensure The Trustee body has an appropriate collective blend of skills and knowledge to respond effectively to changing circumstances.

A **Remuneration Committee** made up of an appropriate mix of Trustees which has the responsibility to recommend remuneration by benchmarking across relevant organisations to ensure that appropriate levels of remuneration are proposed.

An **Income Committee** made up of a mix of Trustees and Special Advisors with marketing and commercial experience to assist the Chief Executive and his team in the decisions around marketing strategy and income generation.

Regional Committees (approximately 39) based throughout the Yorkshire and made up of (unpaid) volunteers who provide valuable local fundraising and have been very successful in raising our profile throughout the region.

Each of these committees is a non-executive or advisory committee and has no executive powers other than those granted in the respective regulations for their conduct approved by the Trustees.

Risk management

The Trustees regularly review the major risks to which the charity is exposed and are satisfied that appropriate systems have been established to manage those risks. The Trustees have initiated the use of a risk register as an assurance tool by reviewing it regularly at their meetings. The principal risks and uncertainties faced by the charity are those shared by many similar organisations and include risks to income, to the ability to continue to fund our long-term research, and to our reputation.

Our new strategy and operational plan is driving significant changes within our charity, and we believe that the continued engagement and support of key individuals, and groups, in identifying and managing the risks facing our charity is critical for our continued success. In order to achieve this effectively we revisit and update our risk register periodically, to identify and manage any new risks that may impact on our continued operations. We have allocated ownership of all key risks to named individuals, dedicating resources as appropriate to the level of risk involved.

Statement of the Council of Management's responsibilities

Charity and Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of YCR and the group. In preparing those accounts, the Trustees have followed best practice and:

- Selected suitable accounting policies and applied them consistently;
- Reached judgements and made estimates that are considered reasonable and prudent;
- Stated whether applicable accounting standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the accounts;
- Clearly demonstrated, and reported on, the public benefit achieved by the charity; and
- Prepared the accounts on the going concern basis unless it was inappropriate to assume that the charity would continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of YCR and the group, to enable them to ensure that the accounts comply with the relevant charity and company legislation. They are also responsible for safeguarding the assets of YCR and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, RSM Tenon Audit Limited, will be proposed for re-appointment in accordance with the Companies Act 2006.

Reserves policy

The Trustees maintain the reserves at a level sufficient to meet reasonable charitable expenditure commitments. Consideration is given to the competition in Yorkshire for charitable donations and legacies and there will, therefore be occasions when the level of the reserves exceeds our charitable expenditure commitments. The Trustees benchmark the level of reserves against other cancer charities to ensure that the level of reserves is both appropriate and in line with our peer group.

Investment policy

YCR has a written investment policy which was approved by the Trustees on 21 July 2009. The overall objectives are to create sufficient income and capital growth to enable the charity to carry out its purposes year by year, with due and proper consideration for future needs and the maintenance of, and if possible enhancement, of the value of the invested funds while they are retained.

Both capital and income may be used at any time for the furtherance of the charity's aims.

The objective of the portfolio is to achieve a balanced return between income and capital.

The portfolio is managed on a medium risk basis under a discretionary mandate. Medium risk is classified by Brewin Dolphin as risk category 3 – Income and Growth Return and is defined in their terms and conditions as:

"Diversified Risk: For clients who are willing to take the risk necessary to achieve a potentially higher return than could be achieved by an 'Income Return' approach but require a bias towards equity market growth. Potential returns will be sought from a combination of capital appreciation and income return. These returns will be sought from a combination of the assets used in 'Income Return' portfolios, but will also include a wider range of possible investments that would be more volatile, but provide a higher potential return, such as investments in shares or overseas investments."

The Trustees agree that objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a Recognised Investment Exchange and unit trusts and OEICs which are authorised under the Financial Services and Markets Act 2000. There is to be no direct investment into derivative financial instruments.

Compliance with the investment policy is monitored on an ongoing basis by the Investment Committee. During the year a portion of the Investment portfolio was taken out and placed in interest-bearing cash deposits.

Investment review

The investment portfolio of Yorkshire Cancer Research is managed in Leeds by Brewin Dolphin on a discretionary basis.

It is the practice that the investment advisers attend regular meetings of the Investment Committee, which then reports to the Trustees. Detailed written reports are produced on a quarterly basis which value the portfolio and record its respective performance statistics. An integral part of the regular meetings is detailed discussion on the content of the report with particular reference to the performance aspect.

Brewin Dolphin is remunerated by an investment management fee of 0.5% per annum on the first £3 million and 0.3% on the balance. The fee is invoiced quarterly with VAT charged in addition.

As at 31 March 2011, the investment portfolio managed by Brewin Dolphin was valued at £9,576,075. The portfolio produces an annual estimated gross income of c. £300,000, which is equivalent to a gross yield of 3.1%.

Over the 12 month period to 31 March 2011, equities returned a positive performance which again outperformed the government bond market albeit to far less an extent than the previous period. In capital terms the FTSE All Share Index returned +5.41%, the World ex UK Index returned +5.63%, and the Government All Stocks Index returned +0.74%. Over this period the portfolio made a capital return of +4.88% with the most relevant benchmark the APCIMS Balanced Capital Return Index made a return of +4.31%. On a total return basis including income, the portfolio returned +8.20% which compares to the APCIMS Balanced Total Return Index of +7.36%.

While the markets have continued their advance over the past 12 months, considerable pressures witnessed in the global markets have resulted in a more modest equity performance than the previous year with volatility still clearly evident. Notable events including the Eurozone debt crisis, Chinese policy tightening, tensions in the Middle East and Japan's tsunami have all impacted the markets with investors remaining cautious over the state of the global economy. However, amongst these global concerns investors have taken encouragement from the continuing improvement in corporate earnings over the 12 month period, in particular in the US which has seen many companies strengthen their balance sheets and improve cash flows. The improving corporate newsflow has seen many investors remain optimistic and in turn helped bolster the markets, rebounding strongly from the aforementioned events.

At the year end, 13.57% of assets were invested in Government Securities, both Conventional and Index Linked Treasury Stocks while Corporate Debt instruments accounted for a further 8.74% of the portfolio. Overall 22.31% of the portfolio was invested in fixed interest securities as at the year end. The portfolio had 70.56% of assets invested in equities, with 45.76% allocated to UK equities and 24.80% to Overseas equities. The majority of the UK equity exposure is made up of direct equity holdings whereas the Overseas exposure is gained via unit trusts. The remaining assets were broken down into 2.63% in Absolute Return, 3.17% in Commercial Property and 1.33% held in cash.

The equity portion of the portfolio remains subject to ethical constraints and the managers are not to invest directly in companies whose primary activities involve them in tobacco or cigarette production, animal testing for cosmetic purposes or the manufacture and export of military equipment. In addition they are to avoid direct investment in countries with a poor human rights record.

The structure of the portfolio is in accordance with the charity's Written Investment Policy and the requirements of the Trustee Act 2000.

General Financial Review and Principal Sources of Funding

The results for the year are set out in the Statement of Financial Activities. The Financial Statements have been prepared in accordance with the accounting policies set out in Note 1 to the Financial Statements and comply with the Charity's Trust Deed, the Charities Act 1993 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005 as amended.

Incoming resources for 2011 have reduced overall by almost 19%. Whilst it was encouraging to see an increase in donations to £1,685,000 (prior year £1,361,000) the income from legacies dropped for the second year running to £2,114,000 (prior year £3,289,000). Investment income also reduced by 9% to £403,000 (prior year £442,000). The charity benefited from a royalty receipt in the prior year of £62,500 that was not repeated in the current year. Gross resources arising during 2010-11 amounted to £4,220,000 compared to the prior year figure of £5,182,000.

In line with this reduced income the total resources expended also reduced to £6,367,000 from £8,262,000 in the prior year. The total spent on charitable activities was £5,550,000 being 132% of total income compared to 141% of total income in the prior year. Charitable spend was 87% of the total spend (89% prior year). Further information about what has been spent on charitable activities is included in the Trustee's Annual Report and in Note 4 to the accounts.

During 2010-11 investment markets continued to improve. The overall gain on the investment portfolio was £500,000 (prior year £3,214,000), a lower gain as markets stabilised somewhat compared to the larger market recoveries seen in the prior year.

The net movement in funds for the year was a deficit of £1,647,000 which when deducted from the funds brought forward results in fund balances to carry forward of £13,905,000. These total funds are split between general funds of £687,000 and designated funds representing commitments entered into for various research projects, programmes and facilities and various universities as detailed in Note 4, amounting to £13,218,000. As stated in previous reports funding of research does not necessarily follow the pattern of income which the charity receives from year to year. As can be seen from the balance sheet the charity has fixed assets and investments totalling £13,447,000 and net current assets of £458,000.

REGISTERED OFFICE

39 East Parade, Harrogate
North Yorkshire, HG1 5LQ

BANKERS

Lloyds TSB Bank Plc
6/7 Park Row, Leeds, LS1 1NX

SOLICITORS

Lee & Priestley
10-12 East Parade, Leeds, LS1 2AJ

AUDITORS

RSM Tenon Audit Limited
The Hamlet, Hornbeam Park
Harrogate, HG2 8RE

INVESTMENT MANAGERS

Brewin Dolphin Securities Limited
34 Lisbon Street, Leeds, LS1 4LX

REGISTERED CHARITY NUMBER

516898

REGISTERED COMPANY NUMBER

1919823

This report was approved by the Council of Management on

2011.

Professor A W Robards OBE PhD DSc FSB – Chair

We have audited the financial statements of Yorkshire Cancer Research for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The Trustees, (who are also the directors of Yorkshire Cancer Research for the purposes of company law), have responsibilities for preparing of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- The Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- The financial statements have been prepared in accordance with the Companies Act 2006, and
- The information given in the Trustees' Annual Report is consistent with the financial statements.

.....
Neil Sevitt
Senior Statutory Auditor
For and on behalf of RSM Tenon Audit Limited
Statutory Auditor
The Hamlet
Hornbeam Park
Harrogate
HG2 8RE

Dated: 2011

FINANCIAL STATEMENTS

Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the year ended 31 March 2011

		2011	2010
	Notes	£	£
Incoming resources			
Donations		1,685,043	1,360,560
Legacies		2,113,919	3,289,149
Activities for generating funds:			
Income from trading		17,545	27,828
Investment income	2	402,570	442,224
Incoming resources from charitable activities – Royalties		-	62,500
Profit on disposal of fixed assets		<u>1,361</u>	<u>-</u>
Gross resources arising		<u>4,220,438</u>	<u>5,182,261</u>
Resources expended			
Costs of generating funds			
Fundraising costs	3	745,633	863,742
Costs of trading		21,064	16,710
Investment management fees		<u>1,997</u>	<u>14,582</u>
		768,694	895,034
Charitable activities	4	5,550,353	7,315,497
Governance costs	3	<u>47,644</u>	<u>51,564</u>
Total resources expended		<u>6,366,691</u>	<u>8,262,095</u>
Net outgoing resources	5	(2,146,253)	(3,079,834)
Realised and unrealised gains on investment assets	7	<u>499,521</u>	<u>3,213,562</u>
Net movement in funds		(1,646,732)	133,728
Fund balances brought forward 1 April 2010		<u>15,551,783</u>	<u>15,418,055</u>
Fund balances carried forward 31 March 2011	13	<u>13,905,051</u>	<u>15,551,783</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included in the above.

The notes on pages 25 to 33 form part of these financial statements

FINANCIAL STATEMENTS

Balance Sheet as at 31 March 2011

	Note	2011	Group 2010	2011	Y.C.R. 2010
		£	£	£	£
Fixed assets					
Tangible assets	6	169,554	155,616	169,554	155,616
Investments	7	<u>13,277,352</u>	<u>13,668,002</u>	<u>13,277,554</u>	<u>13,668,204</u>
		<u>13,446,906</u>	<u>13,823,618</u>	<u>13,447,108</u>	<u>13,823,820</u>
 Current assets					
Goods for resale		5,100	4,147	5,100	4,147
Debtors	9	940,402	2,834,054	940,402	2,835,265
Cash at bank and in hand	10	<u>444,567</u>	<u>481,649</u>	<u>444,567</u>	<u>480,436</u>
		1,390,069	3,319,850	1,390,069	3,319,848
Creditors: amounts falling due within One year	11	(<u>931,924</u>)	(<u>1,591,685</u>)	(<u>932,126</u>)	(<u>1,591,885</u>)
Net current assets		<u>458,145</u>	<u>1,728,165</u>	<u>457,943</u>	<u>1,727,963</u>
Total assets less current liabilities		<u>13,905,051</u>	<u>15,551,783</u>	<u>13,905,051</u>	<u>15,551,783</u>
 Unrestricted funds:					
General funds	13	687,478	902,419	687,478	902,419
Designated funds	13	<u>13,217,573</u>	<u>14,649,364</u>	<u>13,217,573</u>	<u>14,649,364</u>
Total funds		<u>13,905,051</u>	<u>15,551,783</u>	<u>13,905,051</u>	<u>15,551,783</u>

The financial statements were approved by the Council of Management on
its behalf by:

2011 and signed on

Professor A W Robards – Chair

A M Sidebottom - Treasurer

The notes on pages 25 to 33 form part of these financial statements

FINANCIAL STATEMENTS

Consolidated Cash Flow Statement for the year ended 31 March 2011

	Note	2011	2010
		£	£
Cash outflow from operating activities	15	(1,265,469)	(3,176,302)
Returns on investments and servicing of finance			
Dividends and interest received		368,225	442,224
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(53,509)	(10,220)	(10,220)
Purchase of investments	(2,628,670)	(3,486,233)	(3,486,233)
Sale of investments	7,226,868	4,789,704	4,789,704
Placed into term deposits	(3,701,277)	-	-
Investment loan	5,750	(5,750)	(5,750)
Sale of tangible fixed assets	<u>11,000</u>	<u>-</u>	<u>-</u>
		<u>860,162</u>	<u>1,287,501</u>
Decrease in cash in the year		(37,082)	(1,446,577)
Net funds at 1 April 2010		<u>481,649</u>	<u>1,928,226</u>
Net funds at 31 March 2011		<u>444,567</u>	<u>481,649</u>

The notes on pages 25 to 33 form part of these financial statements

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2011

1. Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention with the exception of investments which are included on a market value basis. The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2007 and applicable accounting standards.

Y.C.R. Status

Y.C.R. is a company limited by guarantee. The guarantors are the Council of Management. The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 per member. The Y.C.R. has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the company's activities.

Basis of consolidation

Group accounts have been prepared in respect of Y.C.R. and its wholly owned subsidiary undertakings, Y.C.R. Promotions Limited and Y.C.R. Scientific Developments Limited. As permitted by Section 230 of the Companies Act 2006, a separate profit and loss account for the parent company is not presented.

Fund accounting

General funds are available for use at the discretion of the Council of Management in furtherance of the general objectives of Y.C.R. Designated funds comprise general funds which have been set aside at the discretion of the Council of Management to cover awards approved but not yet payable.

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the appeal. The purpose and use of any restricted funds is set out in the notes to the accounts.

All income and expenditure is shown in the Statement of Financial Activities.

Incoming resources

Incoming resources are recognised when Y.C.R. becomes entitled to income which can be quantified. Gifts received for resale are brought into account when they are sold. Services given by volunteers are not brought into account.

Legacies

Income arising from legacies is recognised in the accounts when Y.C.R. is notified of their entitlement and the amount receivable can be determined with reasonable accuracy.

Interest and dividends

Interest and dividends are brought into account when received at their net amount plus related tax deducted or tax credit. Y.C.R. as a registered charity is not liable to taxation on this income and is able to claim repayment of tax deducted and some tax credits.

Research projects

Approved grants and expenditure on charitable objectives are accounted for as incurred during the year. Where grants are approved, subject to the availability of funds, covering more than one year, no provision is made for the future liability until it becomes payable.

Resources expended

Fund raising costs include those incurred in seeking donations and legacies. Governance costs comprise management and compliance with statutory requirements. All costs include an appropriate proportion of general overheads and staff costs directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of resources, principally staff costs.

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2011

1. Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful lives as follows:

Freehold property	50 years
Motor vehicles	3 years
Office furniture and equipment	5 years

Investments - quoted

Investments are stated at market value less any provision for permanent diminution in value. Market value is taken to be the middle market price ruling at the balance sheet date.

As the policy is to keep valuations up to date, when investments are sold there is no gain or loss arising relating to previous periods. As a result the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings and they are together treated as changes in the value of the investments throughout the year.

Programme related investments and loans

Programme related investments and loans are expensed through the consolidated Statement of Financial Activities on the basis that such investments and loans are, in effect, quasi grants paid as a means to funding charitable research. Where any such investments become listed on a recognised stock exchange they are accounted for in accordance with the quoted investment policy shown above.

Stock of goods for resale

Stocks of purchased goods are valued at the lower of cost and net realisable value. No value is put on any donated goods held for resale.

Local committees

Income and expenditure of local committees arising from non-commercial activity is included in the accounts as net donations as the amounts of expenditure incurred on a local basis are not considered material in the context of the total income and expenditure of Y.C.R. Funds held by local committees at the year end are included in cash at bank and in hand.

Contributions to pension funds

The pension costs charged in the income and expenditure account represent the amount of the contributions payable in the accounting period to defined contribution pension schemes.

2. Investment income

	2011 £	2010 £
Dividends and interest on investments	360,909	437,723
Interest on bank deposits	<u>41,661</u>	<u>4,501</u>
	<u>402,570</u>	<u>442,224</u>

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2011

3. General overheads and staff costs

	Charitable activities £	Fundraising £	Governance £
Publicity	-	412,134	-
Staff costs	408,363	238,211	34,030
Travel and motor expenses	16,915	9,867	1,410
Office accommodation costs	15,093	8,805	1,258
Office repairs and renewals	12,563	7,328	1,047
Printing, stationery, postage and sundries	65,005	37,919	5,417
Legal and professional services	35,817	20,893	2,985
Depreciation	<u>17,959</u>	<u>10,476</u>	<u>1,497</u>
	571,715	745,633	47,644
Staff costs – translational research	<u>51,825</u>	-	-
31 March 2011	<u>623,540</u>	<u>745,643</u>	<u>47,644</u>
31 March 2010	<u>510,521</u>	<u>863,742</u>	<u>51,564</u>

4. Charitable activities

	2011		2010	
	Incurred £	Future commitments £	Incurred £	Future commitments £
Grants payable:				
Research projects, programmes and facilities				
Bradford University	431,948	846,054	490,604	1,179,780
Hull University	50,320	162,598	103,192	147,422
Leeds University	1,959,510	7,019,299	2,119,488	6,285,113
Sheffield University	1,730,872	4,234,145	1,687,566	5,005,389
York University	591,985	955,477	1,979,003	1,962,265
Travel grants and miscellaneous items	11,428	-	50,123	69,395
Support costs (Note 3)	<u>571,715</u>	-	<u>464,077</u>	-
	5,347,778	13,217,573	6,894,053	14,649,364
Translational investments and loans expensed (note 8)	150,750	-	375,000	-
Translational research support costs (note 3)	<u>51,825</u>	-	<u>46,444</u>	-
Total	<u>5,550,353</u>	<u>13,217,573</u>	<u>7,315,497</u>	<u>14,649,364</u>

The future commitments represent research awards approved by the Trustees, but not yet payable. These have not been included as liabilities as there is an expectation that they will be part funded from future income. However an appropriate amount of General funds have been designated to cover these future liabilities as shown in note 13.

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2011

5. Net incoming resources for the year are stated after charging/(crediting):

	2011	2010
	£	£
<i>Staff costs</i>		
Wages and salaries	620,423	560,845
Social security costs	63,874	57,871
Pension costs	<u>48,132</u>	<u>143,792</u>
	<u>732,429</u>	<u>762,508</u>

The average number of staff employed during the year was 22 (2010 - 23). One employee earned between £70,000 and £80,000 per annum during the year under review (2010 - *). Contributions to pension schemes in respect of the employee (**) amounted to £7,042 (2010 - £106,483).

The members of the Council of Management received no remuneration for their services during the year. Expenses reimbursed to Council members for costs incurred on behalf of Y.C.R. during the year amounted to £3,006 (2010 - £6,510). This was in respect of 8 members (2010 - 8).

Y.C.R. has purchased indemnity insurance in respect of all Council members to cover any liability in respect of negligence, default, breach of duty or trust other than that caused by wilful or criminal negligence. The cost of the insurance was £1,155 (2010 - £1,155).

* - one employee between £60,000 and £70,000 (**)

** - the information relates to different individuals

	2011	2010
	£	£
Auditors' remuneration	<u>6,131</u>	<u>13,074</u>
Fees for non-audit work paid to the auditors	<u>31,913</u>	<u>23,418</u>
Depreciation of owned assets	<u>29,932</u>	<u>29,090</u>
Profit on disposal of fixed assets	<u>1,361</u>	<u>-</u>
Operating lease rent paid	<u>8,250</u>	<u>6,105</u>

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2011

6. Tangible fixed assets

Group and Y.C.R.	Freehold property £	Motor vehicles £	Office furniture and equipment £	Total £
Cost				
1 April 2010	179,073	79,410	216,386	474,869
Additions	-	12,850	40,659	53,509
Disposals	-	(28,950)	-	(28,950)
31 March 2011	<u>179,073</u>	<u>63,310</u>	<u>257,045</u>	<u>499,428</u>
Depreciation				
1 April 2010	74,727	79,404	165,122	319,253
Charge for the year	3,581	3,212	23,139	29,932
Disposals	-	(19,311)	-	(19,311)
31 March 2011	<u>78,308</u>	<u>63,305</u>	<u>188,261</u>	<u>329,874</u>
Net book amount				
31 March 2011	<u>100,765</u>	<u>5</u>	<u>68,784</u>	<u>169,554</u>
31 March 2010	<u>104,346</u>	<u>6</u>	<u>51,264</u>	<u>155,616</u>

The freehold property is held for use as the head office.

No property is held for investment purposes.

7. Fixed asset investments

	Group		Y.C.R	
	2011 £	2010 £	2011 £	2010 £
Market value of listed Investments and Unit Trusts	9,576,075	13,662,252	9,576,075	13,662,252
Subsidiary undertakings	-	-	202	202
Loans	-	5,750	-	5,750
Term deposits	<u>3,701,277</u>	<u>-</u>	<u>3,701,277</u>	<u>-</u>
	<u>13,277,352</u>	<u>13,668,002</u>	<u>13,277,554</u>	<u>13,668,204</u>

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Notes to the financial statements for the year ended 31 March 2011

7. Fixed asset investments (continued)

	Group & Y.C.R	
	2011	2010
	£	£
<i>Listed Investments and Unit Trusts</i>		
Market value at 1 April 2010	13,662,252	11,423,175
Additions	2,641,170	3,591,164
Disposals	(7,226,868)	(4,565,649)
Net investment gains	<u>499,521</u>	<u>3,213,562</u>
Market value at 31 March 2011	<u>9,576,075</u>	<u>13,662,252</u>
Historical cost of investments	<u>8,591,579</u>	<u>12,943,612</u>
Realised (losses)/gains based on historic cost	<u>(1,364,711)</u>	<u>(359,120)</u>
Investments received as legacies or donations	12,500	104,931
Investments purchased	<u>2,628,670</u>	<u>3,486,233</u>
	<u>2,641,170</u>	<u>3,591,164</u>
The market value of the investment portfolio can be categorised as follows:		
British Government securities	1,318,091	2,251,391
UK fixed interest securities – listed on a recognised Stock Exchange	849,480	962,998
UK equity securities – listed on a recognised Stock Exchange	7,189,544	9,557,788
Unit trusts – invested in foreign equities	<u>218,960</u>	<u>890,075</u>
	<u>9,576,075</u>	<u>13,662,252</u>

British Government securities represent 13.8% of the total value (2010 - 16.5%).

There were no investments in individual company equities that exceeded 5% of the value of the portfolio at 31 March 2011 or 2010.

The investment portfolio is administered by Brewin Dolphin Securities Limited.

	Y.C.R.	
	2011	2010
	£	£
<i>Subsidiary undertakings</i>		
Cost at 1 April 2010 and at 31 March 2011	<u>202</u>	<u>202</u>

Y.C.R.'s wholly owned subsidiary undertakings, Y.C.R. Promotions Limited and Y.C.R. Scientific Developments Limited, companies registered in England and Wales, were dormant during the year.

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2011

8. Programme related investments

As described in the accounting policies, the Charity expenses investments and loans in programme related investments each year directly to the Statement of Financial Activities. The Charity has provided programme related investments to the following companies, all of which have been fully expensed:

Adjuvantix Limited

The investment in Adjuvantix is in ordinary 2.5p shares and represents 12.2% of the issued share capital. Its principal activity is the development of novel vaccines.

Cizzle Biotechnology Limited

The investment in Cizzle is in ordinary and 'A' ordinary 1p shares and represents 22.3% of the issued share capital. Its principal activity is the development of biological agents with applications in human medicine.

Imagel Limited

The investment in Imagel was in ordinary 0.1p shares and represented 1.4% of the issued share capital. Its principal activity was the development of a gel to help doctors target cancer tumours more efficiently. The company was dissolved during the year.

Pro-Cure Therapeutics Limited

The investment in Pro-Cure is in 'A' ordinary 0.1p shares and 'D' ordinary 0.1p shares and represents 19.7% of the issued share capital. Its principal activity is that of a discovery company focusing on the development of new therapeutics for prostate and other cancers based on targeting stem cells.

Photopharmica (Holdings) Limited

The investment in Photopharmica is in ordinary 0.1p shares and represents 0.34% of the issued share capital. Its principal activity is that of a holding company. Its subsidiary researches and develops human therapeutic products.

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2011

9. Debtors

	Group		Y.C.R.	
	2011 £	2010 £	2011 £	2010 £
Amounts falling due within one year				
Amounts owed by subsidiary undertaking	-	-	-	1,211
Income tax recoverable	1,018	86,518	1,018	86,518
Accrued legacy income	823,889	2,674,329	823,889	2,674,329
Prepayments and other accrued income	<u>115,495</u>	<u>73,207</u>	<u>115,495</u>	<u>73,207</u>
	<u>940,402</u>	<u>2,834,054</u>	<u>940,402</u>	<u>2,835,265</u>

10. Cash at bank and in hand

	Group		Y.C.R.	
	2011 £	2010 £	2011 £	2010 £
Cash at bank and in hand	260,509	270,980	260,509	269,767
Cash held by local committees	<u>184,058</u>	<u>210,669</u>	<u>184,058</u>	<u>210,669</u>
	<u>444,567</u>	<u>481,649</u>	<u>444,567</u>	<u>480,436</u>

11. Creditors: amounts falling due within one year

	Group		Y.C.R.	
	2011 £	2010 £	2011 £	2010 £
Taxation and social security	17,926	-	17,926	-
Amounts owed to subsidiary undertaking	-	-	202	200
Research expenditure	850,601	1,552,161	850,601	1,552,161
Other creditors and accruals	<u>63,397</u>	<u>39,524</u>	<u>63,397</u>	<u>39,524</u>
	<u>931,924</u>	<u>1,591,685</u>	<u>932,126</u>	<u>1,591,885</u>

12. Commitments

	Group & Y.C.R.	
	2011 £	2010 £
Rent payable in the coming year on a property lease		
- expiring within one year	<u>-</u>	<u>6,875</u>
- expiring one to five years	<u>8,250</u>	<u>-</u>
Capital contracts	<u>-</u>	<u>12,850</u>

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Notes to the financial statements for the year ended 31 March 2011

13. Statement of funds

	General fund £	Designated fund £	Total funds £
At 1 April 2010	902,419	14,649,364	15,551,783
Income	4,220,438	-	4,220,438
Expenditure	(1,439,878)	(4,926,813)	(6,366,691)
Net investment gains	499,521	-	499,521
Funds designated during the year	<u>(3,495,022)</u>	<u>3,495,022</u>	<u>-</u>
At 31 March 2011	<u>687,478</u>	<u>13,217,573</u>	<u>13,905,051</u>

The designated fund represents the charitable activities future commitments as detailed in note 4.

14. Analysis of group net assets between funds

	General fund £	Designated fund £	Total funds £
Fund balances at 31 March 2011 are represented by:			
Tangible fixed assets	169,554	-	169,554
Fixed asset investments	-	13,277,352	13,277,352
Net current assets	<u>517,924</u>	<u>(59,779)</u>	<u>458,145</u>
Total net assets	<u>687,478</u>	<u>13,217,573</u>	<u>13,905,051</u>

15. Net cashflow from operating activities

	2011 £	2010 £
Net outgoing resources for the year	(2,146,253)	(3,079,834)
Investment income	(402,570)	(442,224)
Depreciation (including gains on disposal of fixed assets)	28,571	29,090
Donations/legacies received as investments	(12,500)	(104,931)
Decrease in stocks	(953)	(452)
Decrease/(increase) in debtors	1,927,997	(336,323)
(Decrease)/increase in creditors	<u>(659,761)</u>	<u>758,372</u>
Net cash outflow from operating activities	<u>(1,265,469)</u>	<u>(3,176,302)</u>