

YORKSHIRE CANCER RESEARCH

ANNUAL REPORT AND ACCOUNTS

Year ended 31st March 2012

YORKSHIRE CANCER RESEARCH

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Trustees' Report for the year ended 31 March 2012

CHAIRMAN'S STATEMENT

This year Yorkshire Cancer Research's Chief Executive, Mark Stevens stepped down in September 2011 and Carole Ogle, Deputy Chief Executive, took over as Acting Chief Executive. A new Chief Executive Officer, Charles Rowett was appointed in March 2012 and joined the charity in June 2012.

I would like to take this opportunity to thank Carole Ogle for her dedication to the charity and willingness to take on the additional responsibilities in the interim period. It has been a particular pleasure for me to welcome Charles Rowett as the new Chief Executive Officer of Yorkshire Cancer Research. Charles 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 five year period we have been able to fund over £30 million of world-class research here in Yorkshire, and have undoubtedly contributed to the ongoing improvements in cancer survival rates. Our strategy aims to build on that success and have an even greater impact on Yorkshire people's lives.

New initiatives during the year included the opening of the Sheffield Cancer Research Centre at the University of Sheffield, in partnership with Weston Park Hospital Cancer Charity and Cancer Research UK. Through this project we are creating a centre of excellence within Yorkshire and attracting additional research funding from outside the region.

In the future it is our intention to broaden our scope and reach in supporting cancer research including increasing our clinical and commercial development activities.

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; Professor Ray Cartwright, who retired on 14 September 2011 and Mr Mike Rigby who retired on 12 April 2012.

Any organisation is only as strong as the people within it, and I am delighted to report that we have a group of very dedicated and talented scientists, volunteers, trustees and staff. I look forward to the future with great confidence.

Professor A W Robards OBE PhD DSc FSB – Chair

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Trustees' Report for the year ended 31 March 2012

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:

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	£ 4,922	Hatfield	£ 3,054	Richmond	£ 8,226
Batley	£ 9,818	Helmsley	£ 19,123	Ripon	£ 8,484
Bedale	£ 2,620	Hornsea	£ 3,901	Selby	£ 6,854
Beverley	£46,516	Huddersfield	£28,409	Sheffield	£10,205
Bingley	£ 5,214	Hull	£ 3,088	Tadcaster	£58,946
Bradford Ladies	£ 8,615	Ilkley	£ 8,929	Thirsk	£11,558
Bridlington	£18,379	Keighley	£ 16,644	Thorne	£20,960
Cottingham	£ 5,757	Leeds	£ 9,468	Vale	£ 4,346
Driffield	£15,682	Malton	£ 16,965	Wakefield	£40,323
Galtres	£ 5,322	Masham	£12,598	Wharfedale	£7,856
Goole	£17,587	Northallerton	£22,896	Withernsea	£ 895
Great Ayton	£17,870	Ossett	£ 1,729		
Halifax	£ 15,602	Pickering	£ 9,640		

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.

Our Researchers

Finally, we would like to thank the Yorkshire scientists and clinicians that we funded during the year for their teams' efforts in helping people to beat cancer. Details of researchers funded can be found on our website www.ycr.org.uk

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OUR STRATEGY

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 in the future. Together they comprise our strategy and outline the public benefit that we seek to deliver.

Our purpose

Working in Yorkshire to Beat Cancer

We help the people of Yorkshire avoid, survive and cope with cancer by funding world class research within the county into its causes, diagnosis and treatment.

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
- We will have identified Yorkshire's next generation of leaders in cancer research.
- 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.

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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 Charities Commission's 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

We continue to fund the best quality research across all our funding streams and receive a high demand for funding with 169 applications from the Yorkshire scientific community received in 2011/12.

We offer a variety of scientific awards including: PhD Studentships, Clinical Research Training fellowships and pump priming awards which look at early stage research. In addition we fund three-year projects and five-year programme awards, which build upon findings found within early stage research.

Using a rigorous and independently verified peer review process our Scientific Advisory Committee awarded grants to the best 33 applications, which are all scored above the minimum level defined as internationally competitive.

During 2011/12 we introduced a Stakeholder Involvement Group (SIG) to our funding process, which includes people affected by cancer and practicing cancer health professionals and clinicians to assist us in our decisions about which scientific applications to fund.

A new initiative for YCR in the last year has been in approving the release of funds from endowments made by YCR over twenty years ago. The University of Hull approached us about releasing some funds to support the inequalities in cancer outcomes work based in Hull. We also approved endowment release for The University of Sheffield to support a range of activities totalling £2.3million. The funds were to increase the capacity of the clinical trials unit, provide pump priming support for two new consultants, a new DNA sequencing machine and a large protein analysis facility to identify differences between normal and tumour cells at the level of individual proteins.

In February 2012, as part of the University of Sheffield endowment release we launched the Sheffield Cancer Research Centre, which is a jointly funded venture between Yorkshire Cancer Research and Cancer Research UK. It confers Cancer Research UK Centre status on the University of Sheffield and attracts more funding from outside Yorkshire.

Our first Research Fellowship was a huge success with the applicant achieving independence status, a tenured position within the University of Leeds.

In 2011 we gave 5 talented individuals a start in their research career via a PhD Studentship and will be looking to recruit more studentships towards the end of 2012.

For a summary of our funded research please visit our website www.ycr.org.uk

Our Next Steps

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

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

A number of key treatments in widespread use today stem from work funded by Yorkshire Cancer Research, one such example is Olaparib, a PARP Inhibitor treatment which is currently in Phase II Clinical Trials for the treatment of breast and other cancers.

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

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bowel cancer which will significantly improve survival rates.

In 2011 we increased our funding budget for research projects by £500,000, a significant step at a time when other charities are cutting their funding. The 30% increase in spending will be awarded specifically to small clinical trials and associated studies, palliative care, small surgical studies, projects involving biomarkers or imaging, or studies on late effects of cancer therapies.

During 2011/12, we have spent much time and energy concentrating on identifying, and where necessary encouraging the protection of, the findings of the researchers we fund. Progress towards the patient almost always requires formal protection of relevant intellectual property rights and we are working hard to see that this value, if not immediately capable of exploitation, is at least safeguarded for the future.

We have continued to support both Pro-Cure Therapeutics Limited (drugs against prostate cancer initiating cells) and Cizzle Biotechnology Limited (diagnostic test for early stage lung cancer) financially and otherwise as they continue on their respective journeys taking their technology towards the cancer patient.

We are pleased to report an increasing focus amongst our researchers on projects that qualify for our Commercial Development Award funding stream and expect that this "pipeline" will deliver formal applications for consideration for funding in 2012/13.

External sources of finance for these early stage projects remain hard to liberate in these difficult times and we are working on initiatives to give the technologies we fund, or which have already taken root here in Yorkshire, the best chance of surviving the rocky early years of their existence.

Our Next Steps

We will continue to focus on translating the research breakthroughs into work that improves outcomes for patients.

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.

Raising the Profile of What We Do

We have greatly improved our PR and marketing activities to ensure that we continue to raise our profile, and help us reach potential supporters. This has been achieved via a number of media channels including; broadcast, print and online.

We launched a TV advertising campaign to further promote our brand and reach more potential supporters in Yorkshire. During this campaign our daily website hits increased by nearly 500%.

During 2011/12 we launched our website which makes it easier for supporters to find information about cancer; the different types of the disease, signs and symptoms, our funded research and ways they can support us. The new website also simplifies how people can donate to us.

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.

Our Local Volunteer Committees, comprising over 400 committed and long-standing volunteers, continue to be our main fund-raising asset, raising in excess of £500,000 from more than 200 separate events, and raising our profile out in the communities across Yorkshire.

Our Next Steps

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

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We will continue to grow our PR and Marketing activities to ensure that we reach even more people within Yorkshire and tell them about the work we do.

We will look at developing our online shop on our website so that it is used to generate income.

Giving our Supporters more ways to get Involved

We continue to attract large numbers of participants to take part in a series of mass-participant events from running, to space hopper bouncing to cycling raising money for Yorkshire Cancer Research.

We support people who want to do specific bespoke fundraising activities, providing PR help, and fundraising advice. These bespoke activities ranged from fashion shows to men-only 5K runs to sailing challenges.

During 2011/12 we saw a 106% increase in our legacy income. Gifts in wills remain an important income stream for us and one that we would like to build on further in the future.

We continue to develop new /easy ways for supporters to donate, whether this is via our direct debit facility, text to donate, sponsorship or a one off donation.

Our Next Steps

We have set ourselves the target of doubling our non-legacy income in 2012/13 and have a clear list of actions both to help our existing supporters raise money and to find new supporters of Yorkshire Cancer Research.

We will launch a series of awareness campaigns to not only drive awareness of specific issues i.e. the need for volunteers or disease specific cancers, but that will also generate income

We will approach Yorkshire businesses to support Yorkshire Cancer Research with our payroll giving initiative.

Developing the Best Tools for the Job

We look after every penny to make sure more of our supporters' money goes towards beating cancer. We continue to develop our accounting systems and reporting processes to ensure that we are as cost efficient as possible.

During 2011/12 we set up a steering group to assist with the implementation of the new database which will enable us to understand the profile of our supporters and improve our communications to existing and potential supporters.

We created three teams: Income, Science and Finance/Administration to give staff clear direction and support in achieving our future goals.

Our Next Steps

We will aim to keep our fundraising and support costs low while maintaining and diversifying our income and ensuring that our charity is governed effectively.

We will continue to enhance our fundraising and marketing activities and improve further our communications with supporters.

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

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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 Board of Trustees (Board). The individuals who comprise the Board are the Trustees of the charity, and also the directors of the charitable company. Members of the Board 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 2012 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 Officer to ensure that Trustee decisions are acted upon and the charity is managed effectively. The Chair and Chief Executive Officer 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 11 Trustees.

Professor A W Robards OBE PhD DSc FSB – Chair

Mr J Abram

Mr D N Broderick FCA FCCA

Mr A Brown

Professor S B Brown BSc PhD

Professor R A Cartwright MA PhD FFPH FFOM FRCP(Edin) (to 14.09.2011)

Professor P J Guillou BSc MD FRCS FRCPS FMedSci

Mr P Hornby BSc ACMA – Deputy Chair

Mr J L Richards LLB

Mr M Rigby BA (Hons) FCA MSI (to 12.04.2012)

Mrs A H Senior JP BA (Hons)

Mr A M Sidebottom BA (Hons) FCA - Treasurer

Dr A Suggett BSc PhD FRSC HonFRCP

Together they provide the broad range of skills and expertise that ensure a strong Board – 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.

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Trustees' Report for the year ended 31 March 2012

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 Officer 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.

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

The key responsibilities of the Chief Executive Officer 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 Officer is responsible, through the Chair, to the Trustees for the implementation of their decisions. Together with the Chair, the Chief Executive Officer 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 (resigned 09.09.2011)	Chief Executive Officer
Charles Rowett (appointed 01.06.2012)	Chief Executive Officer
Carole Ogle	Acting Chief Executive Officer (09.09.2011 – 31.05.2012) Deputy Chief Executive Officer (to 09.09.2011)
Linsey Trower	Head of Communications
Sally Crerar	Head of Community Fundraising
Lesley Fleming	Head of Finance & Administration
Kathryn Scott	Head of Research Funding
Morgan Williams	Commercial Development Officer
Emma Young	Head of Events

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Trustees' Report for the year ended 31 March 2012

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 18 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".

A **Committee for Clinical Research** was established during 2011/12 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 includes a number of lay members.

A **Stakeholder Involvement Group** (SIG) was also established during 2011/12 to review applications for funding from the perspective of patients, their families and health care professionals. Members of SIG include people affected by cancer and practicing health professionals and clinicians.

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 Officer 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.

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Our 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 Board of Trustees' 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 updated by the Trustees on 6 April 2012. 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."

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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.

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.

As at 31 March 2012, the investment portfolio managed by Brewin Dolphin was valued at £8,635,029. The portfolio produces an annual estimated gross income of £303,056, which is equivalent to a gross yield of 3.5%.

Over the 12 month period to 31 March 2012 the most notable performance came from Government Securities. Both Conventional and Index Linked Treasury Stocks made positive double digit returns. The FTSE All Share Index made a total return of +1.39%, the World ex UK Index made a total return of -0.36%, and the Government All Stocks Index made a total return of +14.46%. Over the year the portfolio made a total return of +1.64%, with the most relevant benchmark, the APCIMS Balanced Index making a total return of +3.67%.

The past twelve months have been volatile and were initially dominated by the large sell off in equities seen in the third quarter of 2011. From the start of the fourth quarter markets began a recovery pattern which was extended in the first quarter rally of 2012. The fact that Government Securities proved to be the strongest asset class over this period does highlight the level of investor risk aversion over this 12 month period. The European crisis touched various pressure points through the year, although the global economy was to a large extent supported by the resilience and recovery which was coming from the US economy.

At the year end, 10.4% of assets were invested in Government Securities, both Conventional and Index Linked Treasury Stocks while Corporate Debt instruments accounted for a further 11.5% of the portfolio. Overall 21.9% of the portfolio was invested in fixed interest securities. The portfolio had 69.9% of assets invested in equities, with 47.0% allocated to UK equities and 22.9% 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 2.4% in Absolute Return, 3.5% in Commercial Property, 1.5% in Commodities and 0.8% 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.

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Trustees' Report for the year ended 31 March 2012

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 policy 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 2012 increased by 47% above the previous year due to a £2,188,000 increase in legacy income offset by a £200,000 decrease in donations. Investment income reduced by 11% to £356,000 (prior year £403,000). Gross resources arising during 2011-12 amounted to £6,212,000 compared to the prior year figure of £4,220,000.

The total resources expended also increased to £8,326,000 from £6,367,000 in the prior year. The total spent on charitable activities was £7,531,000 being 121% of total income compared to 132% of total income in the prior year. Charitable spend was 90% of the total spend (87% prior year). Further information about what has been spent on charitable activities is included in Note 4 to the accounts.

The charity's balance sheet shows £12,507,000 of fixed assets at 31 March 2012 of which £12,339,000 are investments (£13,278,000 in 2011). During 2011-12 investment markets fluctuated and resulted in an overall loss on the investment portfolio of £191,000 compared to a prior year gain of £500,000. Further information on investment performance is included in the Investment Review section of the Trustees' Report.

At 31 March 2012 Creditors: amounts falling due within 1 year exceeded current assets giving net current liabilities of £2,605,000 (net current assets were £458,000 for 2011). This is because of the higher level of research expenditure accrued at 31 March 2012. Since the year end £1,000,000 has been released from the investment portfolio to enable the charity to meet these liabilities as they fall due.

The net movement in funds for the year was a deficit of £2,306,000 which when deducted from the funds brought forward results in fund balances to carry forward of £11,600,000. These total funds are split between general funds of £1,765,000 and designated funds representing research awards approved by the Trustees but not yet payable as detailed in Note 4, amounting to £9,835,000. As stated in previous reports funding of research does not necessarily follow the pattern of income which the charity receives from year to year. It has been the Trustees' policy in recent years to reduce the level of reserves by increasing charitable expenditure after benchmarking the level of reserves with similar charities.

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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
2 Wellington Place
Leeds, LS1 4AP

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 Board of Trustees on 19 September 2012.

Professor A W Robards OBE PhD DSc FSB – Chair

YORKSHIRE CANCER RESEARCH
Report of the Independent Auditors

To the Members of Yorkshire Cancer Research
for the year ended 31 March 2012

We have audited the financial statements of Yorkshire Cancer Research for the year ended 31 March 2012 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 2012 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.

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Steve Williams
Senior Statutory Auditor
For and on behalf of RSM Tenon Audit Limited
Statutory Auditor
6th Floor, 2 Wellington Place
Leeds
LS1 4AP

Dated: 2012

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

**Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2012**

		2012	2011
	Notes	£	£
Incoming resources			
Donations		1,498,754	1,685,043
Legacies		4,301,702	2,113,919
Activities for generating funds:			
Income from trading		17,790	17,545
Investment income	2	356,378	402,570
Incoming resources from charitable activities – Royalties		37,500	-
Profit on disposal of fixed assets		<u>-</u>	<u>1,361</u>
Gross resources arising		<u>6,212,124</u>	<u>4,220,438</u>
Resources expended			
Costs of generating funds			
Fundraising costs	3	728,850	745,633
Costs of trading		10,674	21,064
Investment management fees		<u>13,310</u>	<u>1,997</u>
		752,834	768,694
Charitable activities	4	7,531,269	5,550,353
Governance costs	3	<u>42,212</u>	<u>47,644</u>
Total resources expended		<u>8,326,315</u>	<u>6,366,691</u>
Net outgoing resources	5	(2,114,191)	(2,146,253)
Realised and unrealised gains on investment assets	7	<u>(191,336)</u>	<u>499,521</u>
Net movement in funds		(2,305,527)	(1,646,732)
Fund balances brought forward (as previously reported)		<u>13,905,051</u>	<u>15,551,783</u>
Fund balances carried forward 31 March 2012	13	<u>11,599,524</u>	<u>13,905,051</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 20 to 28 form part of these financial statements

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

**Balance Sheet
as at 31 March 2012**

	Note	Group 2012	Group 2011	Y.C.R. 2012	Y.C.R. 2011
		£	£	£	£
Fixed assets					
Tangible assets	6	168,272	169,554	168,272	169,554
Investments	7	<u>12,338,812</u>	<u>13,277,352</u>	<u>12,339,014</u>	<u>13,277,554</u>
		<u>12,507,084</u>	<u>13,446,906</u>	<u>12,507,286</u>	<u>13,447,108</u>
Current assets					
Goods for resale		5,155	5,100	5,155	5,100
Debtors	9	981,831	940,402	981,831	940,402
Cash at bank and in hand	10	<u>710,447</u>	<u>444,567</u>	<u>710,447</u>	<u>444,567</u>
		1,697,433	1,390,069	1,697,433	1,390,069
Creditors: amounts falling due within One year	11	<u>(2,604,993)</u>	<u>(931,924)</u>	<u>(2,605,195)</u>	<u>(932,126)</u>
Net current (liabilities)/assets		<u>(907,560)</u>	<u>458,145</u>	<u>(907,762)</u>	<u>457,943</u>
Total assets less current liabilities		<u>11,599,524</u>	<u>13,905,051</u>	<u>11,599,524</u>	<u>13,905,051</u>
Unrestricted funds:					
General funds	13	1,765,084	687,478	1,765,084	687,478
Designated funds	13	<u>9,834,440</u>	<u>13,217,573</u>	<u>9,834,440</u>	<u>13,217,573</u>
Total funds		<u>11,599,524</u>	<u>13,905,051</u>	<u>11,599,524</u>	<u>13,905,051</u>

The financial statements were approved by the Board of Trustees on behalf by:

2012 and signed on its

Professor A W Robards – Chair

A M Sidebottom - Treasurer

The notes on pages 20 to 28 form part of these financial statements

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

**Consolidated Cash Flow Statement
for the year ended 31 March 2012**

	Note	2012	2011
		£	£
Cash outflow from operating activities	15	(806,897)	(1,265,469)
Returns on investments and servicing of finance			
Dividends and interest received		356,751	368,225
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(31,178)		(53,509)
Purchase of investments	(939,230)		(2,628,670)
Sale of investments	1,688,940		7,226,868
Placed into term deposits	(2,506)		(3,701,277)
Investment loan	-		5,750
Sale of tangible fixed assets	-		11,000
		<u>716,026</u>	<u>860,162</u>
Increase/(decrease) in cash in the year		265,880	(37,082)
Net funds at 1 April 2011		<u>444,567</u>	<u>481,649</u>
Net funds at 31 March 2012		<u><u>710,447</u></u>	<u><u>444,567</u></u>

The notes on pages 20 to 28 form part of these financial statements

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2012

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 Board of Trustees. 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 Board of Trustees 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 Board of Trustees 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.

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2012

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 resultant 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

	2012 £	2011 £
Dividends and interest on investments	272,264	360,909
Interest on bank deposits	<u>84,114</u>	<u>41,661</u>
	<u>356,378</u>	<u>402,570</u>

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FINANCIAL STATEMENTS

**Notes to the financial statements
for the year ended 31 March 2012**

3. General overheads and staff costs

	Charitable activities £	Fundraising £	Governance £
Publicity	-	433,367	-
Staff costs	362,800	211,633	30,233
Travel and motor expenses	13,414	7,825	1,118
Office accommodation costs	16,333	9,528	1,361
Office repairs and renewals	6,493	3,788	541
Printing, stationery, postage and sundries	62,678	36,562	5,224
Legal and professional services	25,345	14,785	2,112
Loss on sale of fixed assets	-	-	1
Depreciation	<u>19,475</u>	<u>11,361</u>	<u>1,623</u>
	506,538	728,850	42,212
Staff costs – translational research	<u>65,933</u>	-	-
31 March 2012	<u>572,471</u>	<u>728,850</u>	<u>42,212</u>
31 March 2011	<u>623,540</u>	<u>745,643</u>	<u>47,644</u>

4. Charitable activities

	2012		2011	
	Incurred £	Future designations £	Incurred £	Future designations £
Grants payable:				
Research projects, programmes and facilities				
Bradford University	578,616	762,285	431,948	846,054
Hull University	29,177	86,244	50,320	162,598
Leeds University	3,233,582	4,073,774	1,959,510	7,019,299
Sheffield University	1,787,863	2,664,082	1,730,872	4,234,145
York University	993,016	2,248,055	591,985	955,477
Travel grants and miscellaneous items	16,536	-	11,428	-
Support costs (Note 3)	<u>506,538</u>	-	<u>571,715</u>	-
	7,145,328	9,834,440	5,347,778	13,217,573
Translational investments and loans expensed (note 8)	320,008	-	150,750	-
Translational research support costs (note 3)	<u>65,933</u>	-	<u>51,825</u>	-
Total	<u>7,531,269</u>	<u>9,834,440</u>	<u>5,550,353</u>	<u>13,217,573</u>

The future designations represent research awards approved by the Trustees, but not yet payable. These have not been included as liabilities, however an appropriate amount of unrestricted funds have been designated to cover these future designations as shown in note 13.

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FINANCIAL STATEMENTS

**Notes to the financial statements
for the year ended 31 March 2012**

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

	2012 £	2011 £
<i>Staff costs</i>		
Wages and salaries	564,671	620,423
Social security costs	60,658	63,874
Pension costs	<u>45,270</u>	<u>48,132</u>
	<u>670,599</u>	<u>732,429</u>

The average number of staff employed during the year was 21 (2011 - 22). One employee earned between £60,000 and £70,000 per annum during the year under review. Employer pension contributions in respect of this employee were £6,001 for the year. There were no such employees in this band in the prior year. A further employee earned between £80,000 and £90,000 per annum on a pro-rata basis for five months of the year under review. Employer pension contributions for this employee totalled £3,313 for the five months. In the prior year there was also one employee who earned between £80,000 and £90,000 per annum on a pro-rate basis for ten months of the prior year. Employer pension contributions for this employee were £7,042 for the ten months of the prior year.

The members of the Board of Trustees received no remuneration for their services during the year. Expenses reimbursed to Board of Trustee members for costs incurred on behalf of Y.C.R. during the year amounted to £776 (2011 - £3,006). This was in respect of 4 members (2011 - 8).

The Charity has purchased indemnity insurance in respect of all Board of Trustee 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 £1,166 (2011 - £1,155).

	2012 £	2011 £
Auditors' remuneration	<u>11,400</u>	<u>11,100</u>
Fees for non-audit work paid to the auditors	<u>1,783</u>	<u>26,944</u>
Depreciation of owned assets	<u>32,459</u>	<u>29,932</u>
(Loss)/Profit on disposal of fixed assets	<u>(1)</u>	<u>1,361</u>
Operating lease rent paid	<u>8,250</u>	<u>8,250</u>

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**Notes to the financial statements
for the year ended 31 March 2012**

6. Tangible fixed assets

Group and Y.C.R.	Freehold property £	Motor vehicles £	Office furniture and equipment £	Total £
Cost				
1 April 2011	179,073	63,310	257,045	499,428
Additions	-	-	31,178	31,178
Disposals	<u>-</u>	<u>(18,875)</u>	<u>-</u>	<u>(18,875)</u>
31 March 2012	<u>179,073</u>	<u>44,435</u>	<u>288,223</u>	<u>511,731</u>
Depreciation				
1 April 2011	78,308	63,305	188,261	329,874
Charge for the year	3,581	-	28,878	32,459
Disposals	<u>-</u>	<u>(18,874)</u>	<u>-</u>	<u>(18,874)</u>
31 March 2012	<u>81,889</u>	<u>44,431</u>	<u>217,139</u>	<u>343,459</u>
Net book amount				
31 March 2012	<u><u>97,184</u></u>	<u><u>4</u></u>	<u><u>71,084</u></u>	<u><u>168,272</u></u>
31 March 2011	<u>100,765</u>	<u>5</u>	<u>68,784</u>	<u>169,554</u>

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

No property is held for investment purposes and hence has not been revalued.

7. Fixed asset investments

	Group		Y.C.R	
	2012 £	2011 £	2012 £	2011 £
Market value of listed Investments and Unit Trusts	8,635,029	9,576,075	8,635,029	9,576,075
Subsidiary undertakings	-	-	202	202
Term deposits	<u>3,703,783</u>	<u>3,701,277</u>	<u>3,703,783</u>	<u>3,701,277</u>
	<u><u>12,338,812</u></u>	<u><u>13,277,352</u></u>	<u><u>12,339,014</u></u>	<u><u>13,277,554</u></u>

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

Notes to the financial statements
for the year ended 31 March 2012

7. Fixed asset investments (continued)

	Group & Y.C.R.	
	2012	2011
	£	£
<i>Listed Investments and Unit Trusts</i>		
Market value at 1 April 2011	9,576,075	13,662,252
Additions	939,230	2,641,170
Disposals	(1,688,940)	(7,226,868)
Net investment (losses)/gains	<u>(191,336)</u>	<u>499,521</u>
Market value at 31 March 2012	<u>8,635,029</u>	<u>9,576,075</u>
Historical cost of investments	<u>8,105,771</u>	<u>8,591,579</u>
Realised gains based on historic cost	<u>263,902</u>	<u>233,665</u>
Investments received as legacies or donations	-	12,500
Investments purchased	<u>939,230</u>	<u>2,628,670</u>
	<u>939,230</u>	<u>2,641,170</u>
The market value of the investment portfolio can be categorised as follows:		
British Government securities	903,022	1,318,091
UK fixed interest securities – listed on a recognised Stock Exchange	998,568	849,480
UK equity securities – listed on a recognised Stock Exchange	4,097,508	4,446,197
Foreign equity securities – listed on a recognised Stock Exchange	1,797,871	1,834,804
Unit trusts – invested in foreign equities	-	218,960
Other investments	<u>838,060</u>	<u>908,543</u>
	<u>8,635,029</u>	<u>9,576,075</u>

British Government securities represent 10.5% of the total value (2011 - 13.8%).

There were no investments in individual company equities that exceeded 5% of the value of the portfolio at 31 March 2012 or 2011.

The investment portfolio is administered by Brewin Dolphin Securities Limited.

	Y.C.R.	
	2012	2011
	£	£
<i>Subsidiary undertakings</i>		
Cost at 1 April 2011 and at 31 March 2012	<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.

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Notes to the financial statements for the year ended 31 March 2012

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 12.6% of the issued share capital. Its principal activity is the development of novel vaccines.

Cizzle Biotechnology Limited

The investment in Cizzle is in ordinary 1p shares and represents 28.02% of the issued share capital. Its principal activity is the development of biological agents with applications in human medicine.

Pro-Cure Therapeutics Limited

The investment in Pro-Cure is in 'A' ordinary 0.1p shares and 'D' ordinary 0.1p shares and represents 19.1% 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. The company is currently for sale via either a share sale or disposal of some or all of its assets.

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.

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

**Notes to the financial statements
for the year ended 31 March 2012**

9. Debtors

	Group		Y.C.R.	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year				
Income tax recoverable	28,493	1,018	28,493	1,018
Other debtors	1,309	-	1,309	-
Accrued legacy income	802,110	823,889	802,110	823,889
Prepayments and other accrued income	<u>149,919</u>	<u>115,495</u>	<u>149,919</u>	<u>115,495</u>
	<u>981,831</u>	<u>940,402</u>	<u>981,831</u>	<u>940,402</u>

10. Cash at bank and in hand

	Group		Y.C.R.	
	2012	2011	2012	2011
	£	£	£	£
Cash at bank and in hand	517,667	260,509	517,667	260,509
Cash held by local committees	<u>192,780</u>	<u>184,058</u>	<u>192,780</u>	<u>184,058</u>
	<u>710,447</u>	<u>444,567</u>	<u>710,447</u>	<u>444,567</u>

11. Creditors: amounts falling due within one year

	Group		Y.C.R.	
	2012	2011	2012	2011
	£	£	£	£
Taxation and social security	16,264	17,926	16,264	17,926
Amounts owed to subsidiary undertaking	-	-	202	202
Research expenditure	2,514,286	850,601	2,514,286	850,601
Other creditors and accruals	<u>74,443</u>	<u>63,397</u>	<u>74,443</u>	<u>63,397</u>
	<u>2,604,993</u>	<u>931,924</u>	<u>2,605,195</u>	<u>932,126</u>

Research expenditure comprises accruals for amounts expended by the recipient body up to 31 March 2012.

12. Commitments

	Group & Y.C.R.	
	2012	2011
	£	£
Rent payable in the coming year on a property lease		
- expiring within one year	<u>-</u>	<u>-</u>
- expiring one to five years	<u>8,250</u>	<u>8,250</u>
Capital contracts	<u>-</u>	<u>-</u>

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2012

13. Statement of funds

	General fund £	Designated fund £	Total funds £
At 1 April 2011 as previously reported	687,478	13,217,573	13,905,051
Income	6,212,124	-	6,212,124
Expenditure	(1,367,517)	(6,958,798)	(8,326,315)
Net investment losses	(191,336)	-	(191,336)
Funds designated during the year	<u>(3,575,665)</u>	<u>3,575,665</u>	<u>-</u>
At 31 March 2012	<u>1,765,084</u>	<u>9,834,440</u>	<u>11,599,524</u>

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

14. Analysis of group net assets between funds

	General fund £	Designated fund £	Total funds £
Fund balances at 31 March 2012 are represented by:			
Tangible fixed assets	168,272	-	168,272
Fixed asset investments	-	12,339,014	12,339,014
Net current assets	<u>1,596,812</u>	<u>(2,504,574)</u>	<u>(907,762)</u>
Total net assets	<u>1,765,084</u>	<u>9,834,440</u>	<u>11,599,524</u>

15. Net cashflow from operating activities

	2012 £	2011 £
Net outgoing resources for the year	(2,114,191)	(2,146,253)
Investment income	(356,378)	(402,570)
Depreciation (including gains/losses on disposal of fixed assets)	32,460	28,571
Donations/legacies received as investments	-	(12,500)
Decrease in stocks	(55)	(953)
Decrease/(increase) in debtors	(41,802)	1,927,997
(Decrease)/increase in creditors	<u>1,673,069</u>	<u>(659,761)</u>
Net cash outflow from operating activities	<u>(806,897)</u>	<u>(1,265,469)</u>