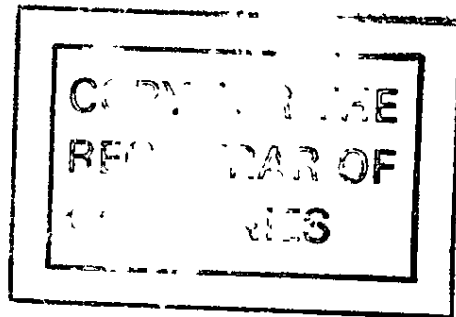


Registered number: 1919823

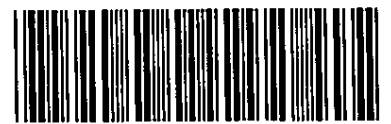


YORKSHIRE CANCER RESEARCH
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

Charity Number: 516898

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YORKSHIRE CANCER RESEARCH

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YORKSHIRE CANCER RESEARCH

Management and Professional Advisors

COUNCIL OF MANAGEMENT

Dr B P Jackson LLD - Chairman
Mr D N Broderick FCA FCCA
Professor S B Brown BSc PhD
Professor R A Cartwright MA PhD FFPH FFOM FRCP(Edin)
Professor E A Dawes PhD DSc CChem FRSC
Professor P J Guillou BSc MD FRCS FRCPs FMedSci
Professor D Holdcroft MA
Mr P Hornby BSc ACMA
Mr J L Richards LLB
Mr M Rigby BA (Hons) FCA MSI
Professor A W Robards OBE PhD DSc FIBiol
Mrs A H Senior JP BA (Hons)
Mr A M Sidebottom BA (Hons) FCA

CHIEF EXECUTIVE AND SECRETARY

Mrs E King (retired 31 05 2010)
Mr M Stevens (appointed 01 06 2010)

DEPUTY CHIEF EXECUTIVE

Mrs C Ogle

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

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

Our objective remains consistent with previous years and is:

To continue to promote research, principally in Yorkshire, into the causes and cures of cancer and to publish and share the results of this research

To achieve this:

We have developed a comprehensive five year strategic plan for the charity covering the key aspects of our planned activities. The strategy builds on our strong local presence in Yorkshire and sets out how we plan to fund high quality research within academic and associated institutions.

We remain completely focused on achieving our charitable objective and are actively engaged in identifying, and then supporting financially, those projects that provide significant opportunity to deliver real benefits to patients.

We are also committed to sharing the results of our research and take all practical steps to ensure that access is provided to all, irrespective of nationality, gender and personal means, ensuring that the outcomes of our research impacts positively on those who suffer from this disease.

To further support this strategy we have also developed annual plans which provide details of how we encourage and enable donors to contribute to our research programmes through effective fundraising activities and more specifically how we ensure that these programmes of research deliver clear benefits to both patients and the wider community.

With the money we raise we:

- Provide grants to academic institutions to further vital research to more clearly understand the causes and potential cures of cancer,
- Have increased our emphasis on clinical and commercial development to make new and effective treatments available in the future through translational research, delivering clinical benefits to patients and establishing research partnerships with appropriate commercial organisations,
- Communicate effectively with donors, academic and associated institutions and the wider public to ensure that our achievements are widely recognised for the contribution they have made.

Through our ongoing work

Our researchers and our clinical and commercial partnerships have made breakthrough discoveries in the understanding of the causes and cures of cancer, including new and effective diagnoses and treatment regimes to the significant benefit of those who suffer from the disease.

Many other groups and individuals also continue to benefit from our work including researchers, academic and associated institutions, academic bodies and the community at large.

Reference and administrative information

Trustees

Dr B P Jackson, (Chair)
Professor A W Robards, (Deputy Chair)
Mr A M Sidebottom (appointed 24 02 10)
Mr D N Broderick
Professor S B Brown
Mr J J H Carnell (resigned 03 03 10)
Professor R A Cartwright
Professor E A Dawes
Professor P J Guillou
Dr M R Harrison, (retired 03 03 10)

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

Reference and administrative information (continued)

Trustees

Professor D Holdcroft
Mr P Hornby (appointed 25 06 09)
Professor CW Potter (retired 09 09 09)
Mr J L Richards
Mr M Rigby
Mrs A H Senior (appointed 24 06 09)
Dr N C Varey (retired 09 09 09)

All the above 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 6 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.

The Trustees also place on record their appreciation of the hard work and commitment to the charity's objectives of all staff in 2009-10.

The senior staff employed by the charity in the period covered by this report were -

Elaine King (retired 31 05 2010)	Chief Executive & Company Secretary
Mark Stevens (appointed 01 06 2010)	Chief Executive & Company Secretary
Carole Ogle	Deputy Chief Executive
Jacki Beginn	Office Manager / Scientific Administration Manager
Clair Challenor Chadwick	Head of Marketing & Fundraising
Linsey Coulthard	Head of Communications
Sally Crerar	Head of Community Fundraising
Kathryn Scott	Research Liaison Officer
Morgan Williams	Commercial & Clinical Development Officer
Emma Young	Events Manager

The Council also acknowledges with gratitude the work and commitment of the many volunteers who willingly give their time to the considerable benefit of the charity and the people the charity serves.

Auditors

The audit business of RSM Bentley Jennison, who had previously been appointed as the company's auditors, has merged with that of RSM Tenon Audit Limited who succeeded to the office of auditors of the company. The audit report of the financial statements has therefore been issued by the successor firm, RSM Tenon Audit Limited. The auditors, RSM Tenon Audit Limited, will be proposed for re-appointment in accordance with the Companies Act 2006.

Structure, governance and management

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.

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

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

Council meets eight times each year and is responsible for the overall control and direction of the charity and is responsible 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

Council is 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

Council has a Chair and a Deputy Chair 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 Council's 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

Specifically the main responsibilities of the Chair are to

- Lead the trustees and members of the senior management team in the development of strategic plans for the charity,
- Provide leadership and support to the Chief Executive and to ensure that the charity is run in accordance with the decisions of trustees, the charity's governing document and appropriate legislation,
- Liaise with the Chief Executive on the drafting of agendas and supporting papers for trustee meetings and to ensure that business is covered efficiently and effectively in those meetings,
- Undertake a leadership role in ensuring that the trustees fulfil their responsibilities for the governance of the charity,
- Lead, with the assistance of the Chief Executive, on the development and implementation of procedures for Trustee induction, development, training and appraisal,
- Implement an effective communications strategy that includes the needs of staff, beneficiaries and other key stakeholders

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

Council is permitted to delegate its powers to **committees** comprised of members of Council It may also appoint **advisory committees** comprising members of Council and others from outside the charity and the region Council has taken advantage of these powers and is assisted in its 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

The SAC has recently introduced new research areas for funding which will provide the guiding principles for our research strategy, which is constantly under review This strategy is also closely aligned to our longer term priorities, defined within our strategic plan, to provide a co-ordinated approach to managing our charity into the future

We are also considering the establishment of a supplementary scientific advisory committee to examine opportunities to fund research into the development of improved and more effective clinical procedures to deliver even greater benefits to patients

A **Committee on Commercial and Clinical Development** drawn from our Trustees which has the responsibility to maximise the commercial return from any developments achieved through our funded research activities The Committee has recently co-opted additional members with relevant skills to assist it

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

An **Investment Committee** made up of no fewer than three Trustees, of which one will be 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 Council

A **Compliance Committee** made up of three Trustees which has the responsibility to monitor the operational and management processes, particularly considering the key risks facing our charity, and making recommendations for action to the Council, 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 our Council 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

Regional Committees (approximately 50) based throughout the county of Yorkshire and made up of (unpaid) volunteers who continue to 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 Council

Governance

Governance is defined as the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of the charity

The key principles of good governance we have adopted within Yorkshire Cancer Research are

- Trustee board leadership – our charity is led and controlled by an effective board of Trustees which collectively upholds its objects, sets its strategic direction and upholds its values,
- The board in control – our Trustees as a board are collectively responsible and accountable for ensuring and monitoring that our charity is performing well, is solvent and complies with all its obligations,
- The “high performance” board – our board has clear responsibilities and functions, and is organised in such a way as to discharge them effectively,
- Trustee board review and renewal – our board periodically reviews its own and the charity's effectiveness and takes any necessary steps to ensure that both continue to work well,
- Trustee board delegation – our board has set out the functions of sub-committees, officers, the Chief Executive, other staff and agents in clear delegated authorities, and regularly monitors the performance of these committees and individuals,
- Board and Trustee integrity – our board and individual Trustees act according to high ethical standards, and ensure any conflict of interests are properly dealt with,
- Trustee board openness – our board is open, responsive and accountable to its donors, beneficiaries and others with an interest in its work

A combination of frequent Council meetings with detailed agenda and supporting papers, our committee structure and the adoption of the charity's Trustees' Code of Conduct ensures effective and transparent governance within Yorkshire Cancer Research

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

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

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 through a leadership role 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 Council for the implementation of Council's decisions. Together with the Chair, the Chief Executive works to enable Council to fulfil its functions and to ensure it receives all the information and advice it needs for that purpose

Statement of the Council of Management's responsibilities

Charity and Company law requires the Council, as 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 Council is 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.

Each Trustee confirms that

- a) In so far as the Trustee is aware, there is no relevant audit information of which YCR's auditors are unaware
- b) The Trustee has taken all the steps that she/he ought to have taken as a Trustee in order to make herself /himself aware of any relevant audit information and to establish that YCR's auditors are aware of that information

Trustee's induction and training

As part of our five year strategic plan we have developed a process for the renewal of our board of Trustees which ensures that the recruitment of new Trustees is open and focused on creating a diverse and effective team. All prospective Trustees are now invited to an introductory session at which they are given a comprehensive overview of our activities to ensure that they fully understand the contribution they are expected to make to our charity, before they commit to becoming a Trustee.

As previously, 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. Any immediate training needs are then identified and incorporated within our Trustee development programme.

Our specialist advisors may also recommend specific additional training or awareness programmes for emerging issues which may have particular relevance to our work and such additional training is provided as required.

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

Risk management

Our five year strategic and annual operational plans will drive significant changes within our charity, and its working practices, 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

At the same time we have

- Allocated ownership of all key risks to named individuals, dedicating resources as appropriate to the level of risk involved,
- Initiated the use of the risk register as an assurance tool by reviewing it regularly at Council meetings

Related organisations

We are members of the Association of Medical Research Charities (AMRC) and this organisation provides valuable input to direct specific aspects of our funding of research projects, in line with our evolving research strategy

In addition the National Cancer Research Institute (NCRI), the Charity Finance Directors Group (CFDG) and the Institute of Fundraising (IoF), of which we are members, continue to provide guidance and insight into emerging best practice and any particular issues which may have an impact on our operational performance

All such issues or guidance are monitored by our Chief Executive and drawn to the attention of our Trustees through our committee structure and through periodic newsletters, articles, events and our web site

Objectives and activities

Through our strategic and operational plans we continue our commitment to ensuring that the funds we receive are allocated in the most efficient and effective manner and our award winning 'peer review' process helps to maintain the quality and continual monitoring of each successful application

The Trustees also confirm that they have considered the guidance provided by the Charity Commission on public benefit when reviewing our charity's aims and objectives during the development and updating of our strategic plan and also during the discussion and agreement of our annual operational plans

We have completed our review of the findings from research carried out during previous years to identify any missed opportunities and are also co-ordinating the outcome of this review and our wider activities with other research bodies to advance cancer research for the benefit of patients and the UK cancer research community as a whole and are already seeing major benefits from this inclusive approach

Achievements and performance

Core Research:

This year we have continued to receive very high quality applications from scientists and clinicians working in Yorkshire and are proud to have been able to increase the value of our awards by more than 50%. In Sheffield, an increased level of funding was agreed following an intensive period of peer review assessment culminating in a site visit by an expert review team. This five year award represents the largest single investment in a programme for the charity and was the result of excellent research output along with exciting new ideas for the group headed by Professor Mark Meuth. In Leeds, the YCR investment in Professor Quirke's research more than doubled following a successful site visit and is a reflection of continued success in delivering patient benefit in the field of colorectal cancer. Other funding streams are more popular than ever in the current economic climate and the charity continues to attract new researchers along with novel proposals via both the established funding streams and the new personal awards. Demonstration of potential patient benefit (and how to measure it) is increasingly important to inform the research strategy

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

The first Senior Awards Holders forum was held this year and was well regarded by all who took part. This unique occasion inspired a lively debate on several issues. The charity continues to develop relationships inside Yorkshire with both researchers and institutions alike, holding the successful Annual Scientific Meeting and this year, a new programme of meetings with the Vice-Chancellors. Outside Yorkshire, the peer-review panel of experts is constantly updated and the charity takes an active part in national discussions within the Association of Medical Research Charities and National Cancer Research Institute frameworks.

The Chair of our Scientific Advisory Committee (Professor Ray Cartwright) completed his term of office on 31st December 2009. We are extremely grateful for the hard work, wisdom and guidance freely given by Ray. He is succeeded by Professor Stan Brown.

Commercial and Clinical Development:

We remain committed to funding projects with the potential to deliver real benefits for cancer patients and during the year, we have started to expand and increase our commercial and clinical development activity.

The accounting policy for programme related investments was reviewed and the policy revised as set out in Note 1 Accounting Policies. Further information is provided in Note 9 programme related investments. All the amounts invested in companies in 2010 have been expensed in the Statement of Financial Activities as set out in Note 5 Charitable activities.

Our in-house capability has been working with existing Commercial and Clinical Development Award holders, our researchers and their University technology transfer teams to further those projects already underway and to identify and launch new projects.

Time has also been spent on various internal procedures to extract patient benefit data at the time of application from our bench researchers. Changes have been made to our reporting processes to encourage lines of communication concerning both progress against the opening patient benefit position and any commercial development opportunities. In addition, a series of review meetings has been approved by trustees to focus on these areas to improve information flow and the early identification of possible opportunities.

During the period, we made an additional investment of £250,000 into Pro-Cure Therapeutics Limited, which continues to pursue its world-leading work in connection with cancer stem cells in the particular area of prostate cancer. Its next stage of development will require funds well beyond our capacity, but we will remain a shareholder in the company and deeply interested in its future progress.

Whilst we committed £250,000 to Adjuvantix Limited in January 2009, £125,000 of that commitment was linked to milestones which were passed during the year. Progress against the milestones for lymphoma and prostate cancer were achieved during the period and the further sums fell due in October and December 2009 respectively. In the next stage of development, the company will be seeking to press on with these two areas to complete a human proof-of-principle study in preparation for clinical trials.

The trustees also agreed during the period to make a loan of £5,750 available to Adjuvantix to assist with some unplanned patent costs following on from their entering into a licence for a lymphoma patent with the University of Sheffield. The loan is repayable with interest in 2012.

The trustees were delighted to see the charity receive further sums totalling £62,500 from the University of Sheffield in connection with the p38 inhibitors technology licensed by the University during 2006. The technology flowed from research conducted at Sheffield by Dr Thomas Helleday funded by the charity and the sums represent the charity's return on investment. The total sums received under the licence now exceed £200,000.

The charity continues its daily efforts to ensure that valuable research realises its full potential and value to the wider community.

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

Financial, Fundraising and Volunteers:

This year proved to be again very busy for our small in-house team of fundraisers and our fabulous 500 strong volunteer committee supporters and, in addition, we had over 5,000 people take part in individual fundraising

In total our volunteer fundraisers raised £1,015,123 Highlights of the year included 8 intrepid fitness fanatics taking part in the Marathon des Sables, the toughest foot race on the planet Held in April, it involves participants running approximately 151 miles across the Sahara desert in six days This raised an incredible £72,000 for Yorkshire Cancer Research (YCR)

Closer to home, the Great North Run in September, achieved over £110,000 with over 350 participants Our relationship with the 'Jane Tomlinson Run for All Series' continues to go from strength to strength, with a formal charity partnership agreed for 2011 This year's participants raised in excess £32,000 at the Leeds and York events

A new partnership with the Great Yorkshire Bike Ride took place on 19th June 2009 On a wonderfully sunny day, a record 1,695 took part, to ride the 70 miles from Wetherby to Filey As a major charity partner for the event the organisers donated over £11,500 to Yorkshire Cancer Research We are thrilled to be charity partner again for 2010 and our committed volunteers will be helping to marshal the day on 5th June

We also had our 3rd annual sponsored cycle ride 'Pedal for Pounds' with 450 participants in total, biking to raise money at routes at Leeds and Doncaster, raising a total of £35,000

This year, we launched our new charity mascots, The Clangers Oliver Postgate and Peter Firmin produced some of the most charming children's animation ever made, including Bagpuss and Ivor the Engine Perhaps the most notable of the series they are responsible for in terms of its impact on popular culture is the Clangers We have new Clanger pin badges and soft toy key rings working hard to help raise money

Straight plc, Europe's leading recycling firm, adopted YCR's Clangers and will be featuring them as part of its home composting campaigns with Local Authorities, donating 10p from the sale of every home composting bin to YCR in the hope of raising £10,000

Other corporate partnerships included GDF Suez, Sainsbury's and Waitrose and new sports fundraising partnerships including Leeds United Football Club This partnership, focusing mainly on male cancers, achieved significant press coverage in January in the Daily Telegraph, Yorkshire Post and Sky Sports News

Our partnership with Hull City AFC has raised a fabulous £10,000 to date and we have achieved great support from the club over the year via gifts in kind and football memorabilia for auction

Damart of Bingley have continued to generously donate unwanted clothing for a fortnightly sale at our charity shop in Tadcaster contributing to the Committee's fabulous total of £70,000 raised this year

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 2010 have been impacted by the difficult economic climate experienced over the past 12 months Income from donations has fallen from the 2009 figure of £1,510,461 to £1,360,560 Whereas the 2009 legacy income had increased on that received in 2008 the 2010 legacy income figure amounted to £3,289,149, being some £858,966 less than in 2009 Investment income reduced by £225,689 to £442,224 The charity benefited from a royalty receipt during the year of £62,500 Gross resources arising during 2009-10 amounted to £5,182,261 compared to the 2009 figure of £6,358,205 The resources expended during the year were slightly up on the resources expended in 2009 at £895,034 On the other hand, the amount spent on charitable activities increased significantly from £4,825,917 in 2009 to £7,315,497 in 2010, representing an increase of some 51.6% Further information about what has been spent on charitable activities is included in the Trustee's Annual Report and in Note 5 to the accounts

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

During 2009-10 investment markets improved considerably. The investment portfolio produced unrealised losses of some £3,934,789 in 2009. These losses were almost reversed in 2010 with unrealised investment gains of £3,572,682. The net movement in funds for the year was a positive increase of £133,728 which when added to the funds brought forward results in fund balances to carry forward of £15,551,783.

The charity's total funds at 31 March 2010 amounted to £15,551,783 which are split between general funds of £902,419 and designated funds representing commitments over the next five years to various research projects, programmes and facilities and various universities as detailed in Note 5, amounting to £14,649,364. As stated in last year's report funding of research does not necessarily follow the pattern of income which the charity receives from year to year.

General review of the charity's financial position

Gross resources arising for the year to 31 March 2010 were £5,182,261 (prior year - £6,358,205). Total resources expended amounted to £8,262,095 for the year (prior year - £5,713,545). The net movement in funds for the year, taking into account unrealised investment gains amounted to a surplus of £133,728 (prior year £3,658,396 deficit). As can be seen from the balance sheet on page 15 the charity has total fixed assets of £13,823,618 at 31 March 2010 and net current assets of £1,728,165 including cash at bank and in hand of £481,649 (prior year - £1,928,226).

The charity has adequate cash at bank and sufficient reserves to enable it to meet its objectives and plans for the future including its charitable activity commitments over the next 5 years.

Reserves policy

The Trustees maintain the reserves at a level sufficient to meet charitable expenditure commitments to research projects and programme costs over the next five years. 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.

Investment policy

YCR has a written investment policy which was approved by the Council of Management 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 should be 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.

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2010

Investment review

As at 31 March 2010, the investment portfolio managed by Brewin Dolphin was valued at £13,662,252. This value represents an increase from the value of the portfolio as at 31 March 2009 of £12,103,019. The portfolio has benefited as we have seen a broad global market recovery from the spring of 2009 through to March 2010.

Taking into account the various withdrawals which have been made from the portfolio and the legacies received, over the twelve month period to 31 March 2010 the portfolio returned +31.25%. Various benchmarks of performance are considered by the Council of Management and the most relevant benchmark is the APCIMS Balanced Total Return Index which returned +32.53%.

The 12 month period to 31 March 2010 was almost a mirror reflection of the previous twelve month period. Over the most recent 12 month period the FTSE All Share Index returned +46.67% in capital terms, outperforming the World ex UK Index which returned +43.05%. The severity of the falls previously seen in the UK did lead the domestic economy to register a strong recovery as many desperately oversold situations normalised. UK Government Debt was one of the weaker asset classes over the period as investors became less risk averse and due to concerns over the level of Government Debt Issuance. The FT Government Securities Index made a capital return of -3.68%. Corporate Debt which collapsed in the financial crisis staged a strong recovery with the IMA Corporate Bond sector average capital return recording a return of +24.20%.

At the year end, 16.41% of assets were invested in Government Securities, both Conventional and Index Linked Treasury Stocks. Corporate Debt instruments accounted for a further 8.51% of the portfolio. Overall 24.92% of the portfolio was invested in fixed interest securities as at year end. The portfolio had 69.14% of assets invested in equities, with 46.00% allocated to UK equities and 23.14% 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. Of the remaining assets, 3.31% was in Commercial Property, a further 2.40% was held in assets designed to give positive absolute returns in all conditions. Given the current returns offered on cash we have been running the portfolio on a fully invested position with cash at the year end standing at 0.23%.

Plans for the future

We end the current year with the exciting prospect of a new Chief Executive joining us from 1st June, as Elaine King steps down, and a new Chairman from September when our existing Chair, Dr Brenda Jackson retires. These changes provide the opportunity to revisit, refocus and revitalise our five-year strategic plan and to formulate more detailed and specific actions for the year ahead.

We will continue to review all processes within the Charity to ensure that our operations are as efficient as possible and that we deliver outstanding, cost-effective performance in supporting research into the causes and cures of cancer and to publish and share the results of this research.

While the current economic situation has had an adverse impact on the receipts of most charities, including our own, we are developing ambitious but realistic targets for significantly increasing income from a wider portfolio of sources.

We expect to engage more fully in partnering with other organisations in raising money to support our core research programmes and clinical and commercial developments across a range of levels from basic research, through 'proof of concept' and on to programme related investments into early stage companies.

We especially aspire to demonstrate more clearly a correlation between the research that we fund and the benefits that we bring to cancer patients. We will do this through supporting translational research as well as projects that are closer to the clinic and the patient and we will, of course, continue to support outstanding strategic research in our leading regional universities.

Tax status

No Corporation tax has been provided in the accounts, as income of YCR, being a registered charity, is within the exemptions granted by Section 505 of the Income and Corporation Taxes Act 1988. YCR has borne VAT on its expenditure where appropriate.

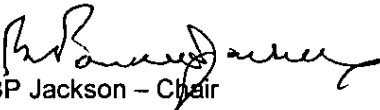
YORKSHIRE CANCER RESEARCH

**Trustees' Report
for the year ended 31 March 2010**

Fixed assets

In the opinion of the Council of Management the market value of the freehold property is at least equal to its book value at 31 March 2010

This report was approved by the Council of Management on 9 1 9 2010


Dr BP Jackson – Chair

**YORKSHIRE CANCER RESEARCH
REPORT OF THE INDEPENDENT AUDITORS**

**To the Members of Yorkshire Cancer Research
for the year ended 31 March 2010**

We have audited the financial statements of Yorkshire Cancer Research for the year ended 31 March 2010 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 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), 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 2010 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 4th Oct 2010

YORKSHIRE CANCER RESEARCH

**Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2010**

		2010	2009 as restated
	Notes	£	£
Incoming resources			
Donations		1,360,560	1,510,461
Legacies		3,289,149	4,148,115
Activities for generating funds			
Income from trading		27,828	31,716
Investment income	3	442,224	667,913
Incoming resources from charitable activities – Royalties		<u>62,500</u>	<u>-</u>
Gross resources arising		<u>5,182,261</u>	<u>6,358,205</u>
Resources expended			
Costs of generating funds			
Fundraising costs	4	863,742	811,075
Costs of trading		16,710	17,121
Investment management fees		<u>14,582</u>	<u>13,517</u>
		895,034	841,713
Charitable activities	5	7,315,497	4,825,917
Governance costs	4	<u>51,564</u>	<u>45,915</u>
Total resources expended		<u>8,262,095</u>	<u>5,713,545</u>
Net (outgoing)/incoming resources	6	(3,079,834)	644,660
Realised (losses)/gains on investment assets	8	<u>(359,120)</u>	<u>(368,267)</u>
Net (outgoing)/incoming resources including realised gains on investments		(3,438,954)	276,393
Unrealised gains/(losses) on investment assets	8	<u>3,572,682</u>	<u>(3,934,789)</u>
Net movement in funds		133,728	(3,658,396)
Fund balances brought forward 1 April 2009 (as restated)		<u>15,418,055</u>	<u>19,076,451</u>
Fund balances carried forward 31 March 2010	14	<u>15,551,783</u>	<u>15,418,055</u>

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

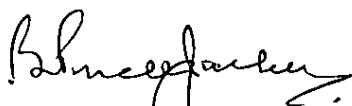
The notes on pages seventeen to twenty-five form part of these financial statements

YORKSHIRE CANCER RESEARCH

**Balance Sheet
as at 31 March 2010**

	Note	2010 £	Group 2009 as restated £	Y C R 2010 £	2009 as restated £
Fixed assets					
Tangible assets	7	155,616	174,486	155,616	174,486
Investments	8	<u>13,668,002</u>	<u>11,647,230</u>	<u>13,668,204</u>	<u>11,647,432</u>
		<u>13,823,618</u>	<u>11,821,716</u>	<u>13,823,820</u>	<u>11,821,918</u>
Current assets					
Goods for resale		4,147	3,695	4,147	-
Debtors	10	2,834,054	2,497,731	2,835,265	2,534,596
Cash at bank and in hand	11	<u>481,649</u>	<u>1,928,226</u>	<u>480,436</u>	<u>1,893,204</u>
		<u>3,319,850</u>	<u>4,429,652</u>	<u>3,319,848</u>	<u>4,427,800</u>
Creditors: amounts falling due within One year	12	<u>(1,591,685)</u>	<u>(833,313)</u>	<u>(1,591,885)</u>	<u>(831,663)</u>
Net current assets		<u>1,728,165</u>	<u>3,596,339</u>	<u>1,727,963</u>	<u>3,596,137</u>
Total assets less current liabilities		<u>15,551,783</u>	<u>15,418,055</u>	<u>15,551,783</u>	<u>15,418,055</u>
Unrestricted funds:					
General funds	14	902,419	(171,631)	902,419	(171,631)
Designated funds	14	<u>14,649,364</u>	<u>15,589,686</u>	<u>14,649,364</u>	<u>15,589,686</u>
Total funds		<u>15,551,783</u>	<u>15,418,055</u>	<u>15,551,783</u>	<u>15,418,055</u>

The financial statements were approved by the Council of Management on **7/7** 2010 and signed on its behalf by



Dr B P Jackson - Chairman



A M Sidebottom - Treasurer

The notes on pages seventeen to twenty-five form part of these financial statements

YORKSHIRE CANCER RESEARCH

**Consolidated Cash Flow Statement
for the year ended 31 March 2010**

	Note	2010 £	2009 as restated £
Cash (outflow) inflow from operating activities	16	(3,176,302)	119,980
Returns on investments and servicing of finance			
Dividends and interest received		442,224	667,913
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(10,220)		(12,627)
Purchase of investments	(3,486,233)		(5,688,135)
Sale of investments	4,789,704		5,388,119
Investment loan	(5,750)		-
		<u>1,287,501</u>	<u>(312,643)</u>
(Decrease)/increase in cash in the year		(1,446,577)	475,250
Net funds at 1 April 2009		<u>1,928,226</u>	<u>1,452,976</u>
Net funds at 31 March 2010		<u>481,649</u>	<u>1,928,226</u>

The notes on pages seventeen to twenty-five form part of these financial statements

YORKSHIRE CANCER RESEARCH

Notes to the financial statements for the year ended 31 March 2010

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.

Prior year adjustment

The trustees have reviewed the accounting policy in connection with the charity's programme related investments and future investment in companies undertaking cancer research. Given that investments in these companies are not dissimilar to grants made to support research at the universities which the charity funds (note 5) and given the difficulty in valuing such investments, the cost of investments made in a given year will be expensed in that year through the Statement of Financial Activities. This change in policy has resulted in a prior year adjustment.

The effect of this adjustment is to reduce the opening total funds of the charity by £857,734. In addition the comparative figures in the Statement of Financial Activities have also been restated. The effect of this is to reduce investment income in the prior year by £42,000 and increase the cost of charitable activities in the prior year by £160,002. As a result the net movement in funds originally reported in the prior as a deficit of £3,456,394 is now restated to a deficit of £3,658,396.

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.

YORKSHIRE CANCER RESEARCH

Notes to the financial statements for the year ended 31 March 2010

1. Accounting policies (continued)

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.

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

Programme related investments 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.

YORKSHIRE CANCER RESEARCH

Notes to the financial statements for the year ended 31 March 2010

2. Results of trading

The results of Y C R 's trading activities through its subsidiary undertaking, Y C R Promotions Ltd, are detailed below Y C R Promotions Limited gift aids its profits to Y C R

Y C R Promotions Limited ceased to trade on 31 October 2009

	2010 £	2009 £
Income from trading	-	<u>31,716</u>
Cost of sales	(458)	(14,867)
Administrative expenses	<u>781</u>	<u>(2,254)</u>
Costs of trading	<u>323</u>	<u>(17,121)</u>
Operating profit	323	14,595
Interest	<u>36</u>	<u>(644)</u>
Gift Aid payment to parent company	<u>359</u>	<u>13,951</u>

3. Investment income

	2010 £	2009 as restated £
Dividends and interest on investments	437,723	595,456
Interest on bank deposits	<u>4,501</u>	<u>72,457</u>
	<u>442,224</u>	<u>667,913</u>

4. General overheads and staff costs

	Charitable activities £	Fundraising £	Governance £
Publicity	-	348,101	-
Staff costs	322,229	358,032	35,803
Travel and motor expenses	15,310	17,012	1,701
Office accommodation costs	13,477	14,975	1,498
Office repairs and renewals	5,816	6,462	646
Printing, stationery, postage and sundries	62,722	69,690	6,969
Legal and professional services	31,432	34,925	3,493
Depreciation	<u>13,091</u>	<u>14,545</u>	<u>1,454</u>
	464,077	863,742	51,564
Staff costs – translational research	<u>46,444</u>	-	-
31 March 2010	<u>510,521</u>	<u>863,742</u>	<u>51,564</u>
31 March 2009	<u>458,118</u>	<u>811,075</u>	<u>45,915</u>

YORKSHIRE CANCER RESEARCH

Notes to the financial statements for the year ended 31 March 2010

5. Charitable activities

	2010		2009	
	Incurred £	Future commitments £	Incurred as restated £	Future commitments £
Grants payable:				
Research projects, programmes and facilities				
Bradford University	490,604	1,179,780	304,178	1,679,896
Hull University	103,192	147,422	130,044	229,053
Leeds University	2,119,488	6,285,113	1,393,160	5,737,329
Sheffield University	1,687,566	5,005,389	1,620,184	5,345,444
York University	1,979,003	1,962,265	682,577	2,395,867
Travel grants and miscellaneous items	50,123	69,395	77,654	202,097
Support costs (Note 4)	<u>464,077</u>	-	<u>448,805</u>	-
	6,894,053	14,649,364	4,656,602	15,589,686
Translational investments expensed (note 9)	375,000	-	160,002	-
Translational research support costs (note 4)	<u>46,444</u>	-	<u>9,313</u>	-
Total	<u>7,315,497</u>	<u>14,649,364</u>	<u>4,825,917</u>	<u>15,589,686</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 14.

Translational investments expensed form part of the prior year adjustment as described in note 1.

6 Net incoming resources for the year are stated after charging:

	2010 £	2009 £
<i>Staff costs</i>		
Wages and salaries	560,845	487,874
Social security costs	57,871	50,454
Pension costs	<u>143,792</u>	<u>40,198</u>
	<u>762,508</u>	<u>578,526</u>

The average number of staff employed during the year was 23 (2009 - 19). One employee earned £60,000 per annum or more during the year under review (2009 - 1). Contributions to pension schemes in respect of this employee amounted to £106,483 (2009 - £6,160).

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 £6,510 (2009 - £6,391). This was in respect of 8 members (2009 - 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 (2009 - £1,155).

YORKSHIRE CANCER RESEARCH

**Notes to the financial statements
for the year ended 31 March 2010**

6. Net incoming resources for the year are stated after charging (continued):

	2010 £	2009 £
Auditors' remuneration	<u>13,074</u>	<u>12,281</u>
Fees for non-audit work paid to the auditors	<u>23,418</u>	<u>32,362</u>
Depreciation of owned assets	<u>29,090</u>	<u>38,596</u>
Operating lease rent paid	<u>6,105</u>	<u>4,200</u>

7. Tangible fixed assets

Group and Y.C.R.	Freehold property £	Motor vehicles £	Office furniture and equipment £	Total £
Cost				
1 April 2009	179,073	79,410	206,166	464,649
Additions	-	-	10,220	10,220
Disposals	-	-	-	-
31 March 2010	<u>179,073</u>	<u>79,410</u>	<u>216,386</u>	<u>474,869</u>
Depreciation				
1 April 2009	71,146	75,211	143,806	290,163
Charge for the year	3,581	4,193	21,316	29,090
Disposals	-	-	-	-
31 March 2010	<u>74,727</u>	<u>79,404</u>	<u>165,122</u>	<u>319,253</u>
Net book amount				
31 March 2010	<u>104,346</u>	<u>6</u>	<u>51,264</u>	<u>155,616</u>
31 March 2009	<u>107,927</u>	<u>4,199</u>	<u>62,360</u>	<u>174,486</u>

The freehold property is held for use as the head office

No property is held for investment purposes

8. Fixed asset investments

	Group		Y C R	
	2010 £	2009 £	2010 £	2009 £
Market value of listed Investments and Unit Trusts	13,662,252	11,423,175	13,662,252	11,423,175
Subsidiary undertakings	-	-	202	202
Cash and loans	<u>5,750</u>	<u>224,055</u>	<u>5,750</u>	<u>224,055</u>
	<u>13,668,002</u>	<u>11,647,230</u>	<u>13,668,204</u>	<u>11,647,432</u>

YORKSHIRE CANCER RESEARCH

Notes to the financial statements for the year ended 31 March 2010

8. Fixed asset investments (continued)

	Group & Y C R	
	2010 £	2009 £
<i>Listed Investments and Unit Trusts</i>		
Market value at 1 April 2009	11,423,175	15,650,270
Additions	3,591,164	5,688,135
Disposals	(4,565,649)	(5,612,174)
Net investment (losses)/ gains	<u>3,213,562</u>	<u>(4,303,056)</u>
Market value at 31 March 2010	<u>13,662,252</u>	<u>11,423,175</u>
Historical cost of investments	<u>12,943,612</u>	<u>14,277,217</u>
Realised (losses)/gains based on historic cost	<u>(359,120)</u>	<u>(368,267)</u>
Investments received as legacies or donations	104,931	-
Investments purchased	<u>3,486,233</u>	<u>5,688,135</u>
	<u>3,591,164</u>	<u>5,688,135</u>
The market value of the investment portfolio can be categorised as follows		
British Government securities	2,251,391	3,320,330
UK fixed interest securities – listed on a recognised Stock Exchange	962,998	246,729
UK equity securities – listed on a recognised Stock Exchange	9,557,788	5,834,579
Unit trusts – invested in foreign equities	<u>890,075</u>	<u>2,021,537</u>
	<u>13,662,252</u>	<u>11,423,175</u>

British Government securities represent 16.5% of the total value (2009 -29.1%)

There were no investments in individual company equities that exceeded 5% of the value of the portfolio at 31 March 2010 or 2009

The investment portfolio is administered by Brewin Dolphin Securities Limited

	Y C R	
	2010 £	2009 £
<i>Subsidiary undertakings</i>		
Cost at 1 April 2009 and at 31 March 2010	<u>202</u>	<u>202</u>

The principal activities of Y C R 's wholly owned subsidiary undertaking, Y C R Promotions Limited, a company registered in England and Wales, are the promotion of events and the sale of cards, fancy goods and other related items. The results of this company are shown under Results of Trading in Note 2. The company ceased to trade on 31 October 2009.

Y C R 's wholly owned subsidiary undertaking, Y C R Scientific Developments Limited, a company registered in England and Wales, was dormant during the year.

YORKSHIRE CANCER RESEARCH

Notes to the financial statements for the year ended 31 March 2010

9. Programme related investments

As described in the accounting policies, the Charity expenses investments 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 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 is in ordinary 0.1p shares and represents 1.4% of the issued share capital. Its principal activity is the development of a gel to help doctors target cancer tumours more efficiently.

Pro-Cure Therapeutics Limited

The investment in Pro-Cure is in 'A' ordinary 0.1p shares and 'D' ordinary 0.1p shares and represents 20.7% 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.

YORKSHIRE CANCER RESEARCH

**Notes to the financial statements
for the year ended 31 March 2010**

10. Debtors

	Group		Y C R	
	2010	2009	2010	2009
	£	£	£	£
Amounts falling due within one year				
Trade debtors	-	208	-	-
Amounts owed by subsidiary undertaking	-	-	1,211	17,155
Income tax recoverable	86,518	98,696	86,518	98,696
Accrued legacy income	2,674,329	2,335,644	2,674,329	2,335,644
Prepayments and other accrued income	<u>73,207</u>	<u>63,183</u>	<u>73,207</u>	<u>63,101</u>
	<u>2,834,054</u>	<u>2,497,731</u>	<u>2,835,265</u>	<u>2,514,596</u>

Amounts falling due after more than one year

	Group		Y C R	
	2010	2009	2010	2009
	£	£	£	£
Loan to subsidiary undertaking	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total debtors	<u>2,834,054</u>	<u>2,497,731</u>	<u>2,835,265</u>	<u>2,534,596</u>

11. Cash at bank and in hand

	Group		Y C R	
	2010	2009	2010	2009
	£	£	£	£
Cash at bank and in hand	270,980	1,706,972	269,767	1,671,950
Cash held by local committees	<u>210,669</u>	<u>221,254</u>	<u>210,669</u>	<u>221,254</u>
	<u>481,649</u>	<u>1,928,226</u>	<u>480,436</u>	<u>1,893,204</u>

12. Creditors: amounts falling due within one year

	Group		Y C R	
	2010	2009	2010	2009
	£	£	£	£
Amounts owed to subsidiary undertaking	-	-	200	200
Research expenditure	1,552,161	804,163	1,552,161	804,163
Other creditors and accruals	<u>39,524</u>	<u>29,150</u>	<u>39,524</u>	<u>27,300</u>
	<u>1,591,685</u>	<u>833,313</u>	<u>1,591,885</u>	<u>831,663</u>

13. Commitments

	Group & Y C R	
	2010	2009
	£	£
Rent payable in the coming year on a property lease - expiring within one year	<u>6,875</u>	<u>3,500</u>
Capital contracts	<u>12,850</u>	<u>3,500</u>

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Notes to the financial statements for the year ended 31 March 2010

14. Statement of funds

	General fund £	Designated fund £	Total funds £
At 1 April 2009	686,103	15,589,686	16,275,789
Prior year adjustment (Note 1)	(857,734)	-	(857,734)
At 1 April 2009 as restated	(171,631)	15,589,686	15,418,055
Income	5,182,261	-	5,182,261
Expenditure	(1,457,119)	(6,804,976)	(8,262,095)
Net investment gains	3,213,562	-	3,213,562
Funds designated during the year	(5,864,654)	5,864,654	-
At 31 March 2010	<u>902,419</u>	<u>14,649,364</u>	<u>15,551,783</u>

The designated fund represents the charitable activities future commitments as detailed in note 5

15. Analysis of group net assets between funds

	General fund £	Designated fund £	Total funds £
Fund balances at 31 March 2010 are represented by			
Tangible fixed assets	155,616	-	155,616
Fixed asset investments	-	13,668,002	13,668,002
Net current assets	<u>746,803</u>	<u>981,362</u>	<u>1,728,165</u>
Total net assets	<u>902,419</u>	<u>14,649,364</u>	<u>15,551,783</u>

16. Net cash inflow from operating activities

	2010 £	2009 as restated £
Net (outgoing)/incoming resources for the year	(3,079,834)	644,660
Investment income	(442,224)	(667,913)
Depreciation (including gains on disposal of fixed assets)	29,090	38,596
Donations/legacies received as investments	(104,931)	-
(Increase)/decrease in stocks	(452)	326
Increase in debtors	(336,323)	(381,630)
Increase in creditors	<u>758,372</u>	<u>485,941</u>
Net (outflow)/inflow from operating activities	<u>(3,176,302)</u>	<u>119,980</u>