

Company number: 1919823

Charity number: 516898



YORKSHIRE CANCER RESEARCH

ANNUAL REPORT AND ACCOUNTS

Year ended 31st March 2013

YORKSHIRE CANCER RESEARCH

CONTENTS

Chairman's Statement	3
Trustees' Report	5
Independent Auditor's Report	17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Financial Statements	21

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

CHAIRMAN'S STATEMENT

This year Yorkshire Cancer Research appointed a new Chief Executive Officer, Charles Rowett, who joined the Charity in June 2012. 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 and we are already starting to see the fruits of his formidable endeavours.

In the last year, we have seen the demand for cancer research funding continue to increase to unprecedented levels and at a time when universities and teaching hospitals are going through enormous change as a result of the Comprehensive Spending Review. The recessionary pressures and austerity measures have had a devastating impact on many charities and fundraising has become more difficult and more unpredictable. It is unsurprising then that a report commissioned by the Charities Aid Foundation in December 2012 predicted that one in six charities will close in 2013 due to the economic environment.

Against this background, the board of trustees took the prudent step of asking the new Chief Executive Officer to undertake a fundamental review of every aspect of the Charity to ensure that we were in the best possible shape not only to survive but also to thrive in the years ahead. The outcome of this review has already led to many changes including the restructuring of the entire organisation, adapting our research strategy, and driving efficiencies in our cost-base. Our Chief Executive Officer has also introduced much more rigorous financial planning, budgeting and management reporting to raise the professional standards in every department and function. As far as income is concerned, we have been too reliant on legacies and on our local committees and while these remain of vital importance, these sources of income are not sufficient to meet the long term rise in the expected demand for research funding. We have therefore prioritised investment in building much more sophisticated and comprehensive income generating capabilities through better marketing, events and corporate partnerships. This will not happen overnight but it is critical to our future.

Our priority is and always has been the needs of the people of Yorkshire and helping them to avoid, survive and cope with cancer. For many years we have funded research in universities and teaching hospitals within the county but with today's technology and super-fast broadband the world has moved on around us. It is now neither feasible nor sensible to impose a geographic restriction on where we fund if we are to maintain our reputation for international quality cancer research. National and international collaborations and information sharing are now essential parts of how research is conducted and both universities and research groups are inter-connected globally. To remain at the forefront of cancer research we believe that it would not be in the best interests of our donors and supporters only to fund research conducted in Yorkshire. This has led to a shift in our strategy based on the principle that cancer-related problems in Yorkshire will best be addressed by accessing the very best science possible rather than just what is available in Yorkshire. We expect that by being open to national competition the quality of research applications that we receive will increase even further.

While few, if any cancers are peculiar to Yorkshire, there are clear hotspots of certain types of cancer and survival rates are in general below the national average. We therefore need to focus on the specific problems that are prevalent across our county and target more research into those areas. At a time when national funding for cancer research in Yorkshire is reducing, we are committed to increasing our research support but this will require significant additional funding over the next few years.

We invested around £5.5m to drive forward many new and exciting research initiatives in the last year within our core portfolio. Support from Yorkshire Cancer Research is a major benefit to our researchers who we know were able to leverage a further £6.9m of funding from other sources as a result of our core funding. It is worth just reflecting on a few breakthroughs and achievements from 2012/13. Professor Phil Quirke in Leeds has pioneered techniques that will increase survival rates for colorectal cancer patients and we have supported his research and master-classes to train surgeons from Yorkshire and across the world. Our collaboration with Cancer Research UK in Sheffield continues to gather momentum and as we move into the third year of this joint-venture we are beginning to see the benefits of investing in cancer expertise through the CRUK-YCR Sheffield Cancer Research Centre. We have also joint-funded brain tumour research in Sheffield with Weston Park Hospital Cancer Charity and have started to build excellent contacts with several other charities that will improve the efficiency of how we use our funds and allow us all to support more research for the benefit of Yorkshire people.

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

CHAIRMAN'S STATEMENT (continued)

Our commercial development programme has had an excellent year. In December 2012, Cizzle Biotechnology Limited, a spin-out company from the University of York, agreed an out-licencing deal with Fujirebio Diagnostics Inc of Japan. This will fund the next stage of research towards developing a simple blood test for early-stage lung cancer which would impact on the lives of many millions of people. In collaboration with the University of Bradford we supported an exciting new venture in China and this attracted £1.74m of funding for six commercial proof of concept projects in Yorkshire universities. We continue to fund almost 80% of the Institute of Cancer Therapeutics in Bradford. The work undertaken by Professor Laurence Patterson and his team has resulted in a spin-out company, Incanthera Limited, in which we have an ongoing interest. The company continues to make good progress towards testing its vascular disrupting agent in phase II clinical trials.

Clinical trials continue on the drug Olaparib, with a view to its use as a maintenance treatment for platinum-sensitive relapsed ovarian cancer patients with BRCA gene mutations. These trials, conducted by Astra-Zeneca, are entering Phase III, and build on work we funded at the University of Sheffield back in the mid-2000's. In addition, we worked closely with the University of Bradford on preparing the Crocus Cancer Appeal which was launched in May 2013 with the aim to raise £1m for new equipment. This appeal shows the benefits of collaboration with commercial and media partners in Bradford, namely the Telegraph & Argus newspaper and Sovereign Healthcare.

These developments demonstrate how we are beginning to rebalance our portfolio and move more towards translational and clinical research and commercial applications. The reason for this is simple in so far as our donors' money is best deployed to research that is more likely to have a positive impact on cancer patients in Yorkshire.

In the last year our donors, volunteers and participants have once again demonstrated their loyal support for which we are enormously grateful. Thanks to their generosity, we remain the second largest Charity funder of cancer research in Yorkshire and one of the largest regional charities in the UK. Our current portfolio represents some £22m of world-class research over the five years to 2016 and this will contribute significantly to improving cancer survival rates in Yorkshire.

I would like to add my thanks to Mr Mike Rigby, Mr Derek Broderick and Professor Pierre Guillou, our trustees who stepped down during the year. Mike, Derek and Pierre made a significant contribution to the Charity over the years. We wish them all the very best for the future.

Finally, Yorkshire Cancer Research is a unique asset and has a vital role to play in our county. We are all immensely proud of what has been achieved but all too aware that there is an enormous amount of work to do before we see survival rates in Yorkshire better than the national average. We need to be more outward looking, build better connections with government, professional bodies and institutions, raise our profile, attract new donors and corporate sponsors and target our research to make a real difference in Yorkshire. Our aspiration is to be seen unequivocally as Yorkshire's cancer research Charity and to become increasingly proactive in determining where our funding will deliver best value for money to cancer patients in the county. This will be a long process and the current economic and social changes happening across the UK will not make it any easier but the board of trustees, our new Chief Executive Officer and all our colleagues can look forward to the future with both excitement and great confidence.

Professor A W Robards OBE PhD DSc FSB – Chair

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

WITH THANKS

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

Wills and legacies

It is important to recognise that over two-thirds of our funding comes from the outstanding generosity of people who sadly have died and left significant sums of money to the Charity. The contribution that these people have made to our work over many years cannot be under-estimated. In the last year, over £2.4m was received from wills and our thanks go to them and all their families for providing us with the funds to ensure that we can continue our battle against cancer in Yorkshire.

Local Volunteer Committees

Our Local Volunteer Committees have also been at the heart of Yorkshire Cancer Research, in some cases for nearly 50 years. Last year they raised over £540,000 and we would like to thank each Committee for their hard work fund-raising in their local communities.

Barnsley	£7,984	Harrogate	£387	Ossett	£2,446
Batley	£15,413	Hatfield	£3,967	Pickering	£15,359
Bedale	£1,994	Helmsley	£9,962	Richmond	£12,631
Beverley	£41,571	Hornsea	£3,318	Ridings	£1,986
Bingley	£7,412	Huddersfield	£35,223	Ripon	£15,030
Bradford Ladies	£12,725	Hull	£3,847	Selby	£7,519
Bridlington	£22,517	Ilkley	£8,041	Sheffield	£6,771
Cottingham	£10,691	Keighley	£19,441	Tadcaster	£51,606
Driffield	£12,032	Leeds	£12,143	Thirsk	£16,691
Galtres	£18,831	Leyburn	£9,466	Thorne	£2,644
Goole	£12,393	Malton	£14,854	Vale	£9,089
Great Ayton	£13,211	Masham	£8,277	Wakefield	£39,865
Halifax	£20,549	Northallerton	£27,174	Wharfedale	£8,070
				Withernsea	£264

Event Participants

During the year we have seen 1,600 people participate in running, cycling, swimming and walking events raising over £200,000. This is a good result given the tight economic conditions and we thank each and every one of those participants for their extra-ordinary efforts.

Special Efforts

There are far too many to list by name, but there were nearly 700 fundraising activities that were initiated by members of the public providing over £280,000 to fund our work. We would like to thank all of our supporters who donate, volunteer, participate in events and help spread the word about our work.

Corporate Partners

The support we receive from corporate partners should also be recognised and this includes not only the companies but also in many cases the staff themselves. We would like to thank all our corporate partners including the following top 10 donors by funds raised:

Barclays Bank Mortgage Services	Hoopers	Straight plc
Better Placed Recruitment	Robinsons (Bawtry) Ltd	Taylor of Harrogate
Bettys Bakery	Sinclair's	Thornton & Ross
Crowne Plaza Hotel Leeds		

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

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

OUR STRATEGY

Our purpose and strategic aims have provided the platform for our activities over the past few years and they were refined at the end of 2012 to ensure that we maintain our focus on delivering benefit to the people of Yorkshire

Our purpose - *working in Yorkshire to beat cancer*

We exist to help the people of Yorkshire avoid, survive and cope with cancer by funding world class research 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 working closely with our partners we aim to have achieved the following goals by 2020

- 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 and for 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

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

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.

1. Supporting World-Class Researchers in Yorkshire

We continued to fund the best quality research across all our funding streams and received a high demand for funding with 166 applications from the Yorkshire scientific community in 2012/3.

We offered a variety of scientific awards including PhD Studentships, Clinical Research Training Fellowships and pump priming awards looking at early stage research. In addition we funded three-year projects and five-year programme awards, which built upon findings found within early stage research and commercial development awards that pushed successful translational work to the next stage.

In 2012/13, we used a rigorous and independently verified peer review process and our Scientific Advisory Committee awarded grants to the best 27 applications which all scored above the level defined as 'internationally competitive'.

During the year the Stakeholder Involvement Group (SIG) gave us invaluable insight into the needs and perspectives of donors, patients and practitioners. This helped us to not only be more rigorous in how we made decisions on which research to support but also made a significant contribution to changes to our research application and assessment processes that will be implemented as from April 2013.

Building stronger relationships with the universities and teaching hospitals remained a high priority as they are facing significant challenges with the reshaping of the NHS, reductions in student numbers and an ever more difficult financial environment. We also continue to work closely with Leeds, Hull and Sheffield on ways to better utilise their endowment capital.

Following the success of the previous Researcher Fellowship we have repeated this award in order to invest further in the development of top talent in Yorkshire. We gave 4 more talented individuals a start in their research career via a PhD Studentship and will be looking to make more of these awards towards the end of 2013.

Outcomes from research that we funded resulted in over 100 publications in peer reviewed journals in the last year alone. Whilst not a direct patient benefit in itself these publications receive world-wide recognition and demonstrate the high quality of work that we support. More importantly, the publication of these findings indicates that progress is being made and these discoveries will have a greater prospect of generating the clinical outcomes of the future.

Our application process and assessment methods changed with effect from 1 April 2013 and we expect that in future years these changes will deliver a portfolio with an even greater emphasis on work involving patients with a clear path towards positive clinical outcomes for the people of Yorkshire.

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

Our Next Steps

- We plan to continue to fund over £5 million of world-class research every year.
- Rebalancing our research portfolio will mean that we invest more in translational and clinical awards.
- Our objective is to increase the probability of patient benefit in Yorkshire.

2 Helping Cancer Patients, Today and in the Future

A number of key treatments in widespread use today are as a result of work funded by Yorkshire Cancer Research. One such example is Olaparib, a PARP inhibitor treatment which has now moved into Phase III Clinical Trials for the treatment of breast and other cancers. Astra Zeneca see Olaparib as a major part of their future drug portfolio.

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

Progress is not just about drug development. The programme of research led by Professor Phil Quirke at the Leeds Institute of Cancer Studies and Pathology has identified new surgical techniques in colorectal and bowel cancer which will significantly improve survival rates.

In 2012 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.

During the year 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 exploitable, is at least safeguarded for the future.

Within the UK, the current economic climate makes it difficult to attract external sources of finance for these early stage commercial projects but we are working on several new initiatives to find ways of supporting the development of these technologies, including our relationship with China. Our collaboration with the University of Bradford in China has sparked renewed interest in funding early stage commercialisation opportunities. The first six projects funded via the Open Innovation Workshop Programme managed to secure £1.74m for Yorkshire-based projects which will hopefully lead to a commercial result within four years.

Our Next Steps

- Our new research strategy will increase the potential for improving survival rates in Yorkshire.
- The new research assessment processes will help deliver more and better clinical outcomes.
- We will put in place better processes for managing intellectual property within the research findings.
- Working closely with researchers we will help secure funding for commercialising scientific breakthroughs.

3. Raising the Profile of What We Do

Last year we began a programme of investment in our PR and marketing activities to raise our profile and reach out to new potential supporters. This was not entirely successful and a number of fundamental issues were identified in terms of resources, expertise and branding.

The television advertising campaign and the subsequent critical analysis of the public reaction led us to conclude that whilst we may have enjoyed excellent support from our local committees for many years we have a long way to go if we are to become the '*cancer Charity of choice*' in Yorkshire.

The website was updated in 2011 but has been more successful as a tool for researchers applying for awards than promoting the Charity and generating donations and event participation. Similarly our Facebook and Twitter following has increased but it has not yet reached the levels that we need to communicate our messages effectively across the county.

Working with Yorkshire businesses was highlighted as a priority for last year and it is now beginning to gather momentum. We have secured a number of new partnerships and seen an increase in the number of companies choosing us as their Charity of Year.

Our Local Volunteer Committees have again helped to spread the word and raised over £540,000. This is a fantastic achievement from a loyal and reliable group of supporters that directly provide 13% of our income from some 40 communities across Yorkshire.

The reduction of income from events was disappointing and due to decisions made to cut a number of own-brand events in 2011 and 2012 which had a negative impact on how we engage with potential supporters across the county. Participation in third party events was down across the board and fundraising below the anticipated levels. This has also been a common theme amongst many charities in the last few years but we are already planning how to improve the portfolio and attract new supporters next year.

As the largest regional cancer research Charity in the UK one of the most important learning points over the past year was that we need to invest and do much more to build awareness and support across the county. We have national and international recognition for our research and now our attention has to be focused on

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

building a much stronger donor base that will provide sustainable fundraising in the future

Our Next Steps

- Cost-effective investment in PR and marketing will increase brand awareness and build our supporter base
- We will reinforce our existing local committees and encourage new people to get involved
- Web and social media tools will be used to promote the Charity and communicate with our supporters

4. Giving our Supporters more ways to get Involved

Although our events portfolio under-performed last year, the fact that nearly 700 special efforts raised over £280,000 demonstrates that what we do is very important to people in Yorkshire and that once they become aware of our work, they want to be involved and make a contribution

Fundraising activities range from ultra-marathons across the Sahara to climbing mountains to tea parties and head-shaves. We support people who want to do specific bespoke fundraising activities by providing PR and advice. The most extra-ordinary special effort last year was the igloo built on the Stray in Harrogate by four guys on an impulse. Advertising on Rightmove and achieving national and regional media coverage, this raised an amazing £3,000 and was sold to a local businessman. A remarkable achievement and one that provided some much needed good humour in a long, cold and wet winter.

After a bumper year in 2011/12 when we received £4.3m in gifts through wills, we saw legacies fall back to a little below normal levels to £2.4m. Gifts in wills remain an important income stream for us but this £1.9m swing demonstrates how precarious it can be. Although we do want to encourage more gifts through wills, it is also essential for us to balance our income streams and secure more reliable income flows in the future. We continue to develop the number of ways that supporters can donate and our focus has to be much more on regular donations.

Our Next Steps

- We have set ourselves the target of doubling our non-legacy income 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 build stronger links with Yorkshire businesses to support us through sponsorships, affiliate schemes, under-writing events, employee participation and payroll giving

5. Developing the Best Tools for the Job

We have continued to drive efficiencies and made significant savings in our cost base through a line-by-line focus on every major third party service or purchase. This included re-contracting insurance, HR, legal, investment management and IT services as well as negotiating better prices for stationery and consumables.

Having invested in professional financial expertise in 2012 we have made significant progress with improving the quality of management information and reporting and this has led to better budgeting and planning.

The restructuring of the organisation into three teams (Income, Research and Finance/Administration) has given us a much greater clarity and understanding of how money flows through the organisation and where economies can be made. It has also enabled us to set clear targets so that we can achieve our goals.

Our Next Steps

- We will continue to drive efficiencies in all our office and support costs and third party contracts
- Our fundraising efficiency will be improved towards a target of at least £5 income for every £1 spent on fundraising
- Investment in continuous professional development will ensure that we attract and retain the best talent

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

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 met as a board six 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

The Trustees who served during the year to 31st March 2013 were

Professor A W Robards OBE PhD DSc FSB – Chair
Mr J Abram
Mr G Berville (from 28 11 2012) BSc (Hons)
Mr D N Broderick FCA FCCA (to 19 09 2012)
Mr A Brown
Professor S B Brown BSc PhD
Professor P J Guillou BSc MD FRCS FRCPS FMedSci (to 28 04 2013)
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.

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 financial statements. As part of

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

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 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 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

In the year 2012/13 the management team comprised the following individuals

Charles Rowett	Chief Executive Officer (appointed 01 06 2012)
Carole Ogle	Acting Chief Executive Officer (until 31 05 2012)
Linsey Trower	Head of Marketing & Communications (maternity leave from 01 11 12)
Rose Merritt	Head of Marketing & Communications (maternity cover from 01 11 12)
Sally Crerar	Head of Community Fundraising
Lesley Fleming	Head of Finance & Administration
Kathryn Scott	Head of Research Funding
Morgan Williams	Head of Commercialisation
Emma Young	Head of Events (until 31 12 12)

Trustee Delegation

During the year the Trustees exercised their right to delegate powers to the various **committees** to aid them with the efficient and effective management of the Charity's activities as follows

A **Scientific Advisory Committee (SAC)** reviewed applications for funding on their scientific merit. The SAC consisted of one Trustee (Chairman of the SAC), the scientific Secretary, the Chief Executive and both YCR funded and external research scientists. The Committee also received advice on each application for funding from independent scientists and clinicians around the world through a process called "peer review"

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

A **Committee for Clinical Research** examined opportunities to fund research into the development of improved and more effective clinical procedures to deliver even greater benefits to patients. This Committee included trustees, members of the Executive and a number of lay members.

A **Stakeholder Involvement Group (SIG)** reviewed applications for funding from the perspective of patients, their families and health care professionals. The group was chaired by a trustee and members included people affected by cancer and practicing health professionals and clinicians.

A **Committee for Commercial Development** considered applications which could deliver patient benefit and a commercial return from our research investments. The Committee consisted of trustees, members of the Executive and Special Advisors with relevant skills and experience.

As a result of the change in the research strategy and the simplification of the awards application process, assessment and management practices all the above committees will be replaced by the new multi-disciplinary Research Advisory Panel from April 2013.

An **Investment Committee** consisting of the Treasurer, two trustees as well as the Chief Executive and the Head of Finance & Administration monitored our investment policy and the performance of the investment fund manager and reported to the Trustees. During the year a competitive tendering process led to the appointment of new investment advisors.

A **Compliance Committee** made up of a minimum of two Trustees, the Chief Executive and the Head of Finance & Administration monitored the operational and management processes, considered the key risks facing our Charity and made recommendations for action to the Trustees as appropriate.

A **Nominations Committee** made up of an appropriate mix of Trustees had responsibility to recommend nominations for new Trustees to ensure that the board of trustees had 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 had 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, the Chief Executive Officer and specific members of the Executive monitored and reviewed opportunities and decisions on marketing strategy and income generation.

Local Voluntary Committees (approximately 40) based throughout Yorkshire and made up of (unpaid) volunteers provided valuable local fundraising and raised 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 reviewed the major risks to which the Charity was exposed and satisfied themselves that appropriate systems were in place to manage those risks. The Trustees recognised that the principal risks and uncertainties faced by the Charity were similar to comparable organisations including risks to income, the ability to fund long-term research and to our reputation.

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 us 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.

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

Statement of the Board of Trustees' responsibilities

Charity and Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of YCR. In preparing those financial statements, 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 financial statements 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, 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors also confirm that as far as they are aware there is no relevant audit information of which the charity's auditors are unaware and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Our auditors were RSM Tenon Audit Limited until 27 March 2013 when following a competitive tendering process Mazars LLP were appointed.

Mazars LLP will be proposed for re-appointment at the forthcoming Annual General Meeting in accordance with the Companies Act 2006.

Reserves policy

The Charity has reviewed its Reserves Policy and agreed to continue to invest in research over and above net income levels by drawing down from reserves until they reach the target level of

- a) minimum general reserves equivalent to 18 months operating costs which would amount to £2.1m at current expenditure levels,
- b) plus additional reserves required in the event of there being significant unforeseen fluctuations in annual income levels. Reserves would be held to a maximum of £2.4m representing average annual research expenditure at current award levels.

The target for total reserves is therefore between £2.1m (minimum) to £4.5m (maximum).

The reserves policy is reviewed by the Board at least annually with reference to up-to-date financial projections, including the benchmarking of reserve levels with similar charities.

Reserves at 31 March 2013 were £2.5m which is within the range above.

Investment policy

YCR has a written investment policy which was revised by the Trustees on 28 November 2012.

Investment Policy, regarding the Bank Deposits

The overall objectives are to maximise income whilst balancing the need for access within a certain period. The products considered include interest access accounts, notice accounts, and fixed rate bonds. The Charity has also determined that any bank used to hold cash deposits should have a credit rating of at least A and that there should be a minimum of three institutions with whom the cash deposits are invested.

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

Investment Policy, regarding the Investment Portfolio

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 Charity will agree annually, in conjunction with the investment manager, the required level of income to be achieved from the investment portfolio

The objective of the portfolio is to achieve a balanced return between income and capital growth. The portfolio may be invested in UK and overseas equities, corporate bonds (min credit rating BBB) and government securities (both fixed rate and index linked). All equities must be quoted on a Recognised Investment Exchange and unit trust and OEIC funds must be authorised under the Financial Services and Markets Act 2000. No investments, either directly or indirectly in derivatives are permitted unless the Trustees have given explicit permission so to do. The Charity has an ethical investment policy that is in line with its charitable aims.

Investment review

The investment portfolio of Yorkshire Cancer Research was managed by Brewin Dolphin until 28 February 2013. Following a competitive tendering process the management of the portfolio was transferred to Quilter & Co Limited.

During the year net £5.8m of investments were released from the portfolio, of which £2.5m was placed in term deposits with a mix of notice periods to meet the cash flow requirements of the Charity until March 2014. The remaining £3.3m related to sales in March 2013 by Brewin Dolphin of which £3m had been transferred to Quilter & Co by 31 March 2013 and the balance of £0.3m was transferred in early April 2013. The £3.3m has since been invested by Quilter in line with the revised investment policy with a greater emphasis on fixed interest securities.

The balance of investment assets were transferred in specie from Brewin Dolphin to Quilter over the period 28 February 2013 until 31 March 2013.

At 31 March 2013, the investment portfolio managed by Quilter and including the £3m cash held in the broker dealing account was valued at £6.1m. The remaining cash balance held by Brewin Dolphin at 31 March 2013 was £0.3m giving a total of £6.4m.

The income from the portfolio and term deposits was £336k for the year to 31 March 2013. The market valuation of the portfolio at 31 March 2013 showed a gain of £745k for the year reflecting strong stock market performance particularly in the last quarter. Of this £542k were realised gains and £203k unrealised.

YORKSHIRE CANCER RESEARCH

Trustees' Report for the year ended 31 March 2013

General Financial Review and Principal Sources of Funding

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

Incoming resources for 2013 decreased by 32% from the previous year mainly due to a £1.9m reduction in legacy income. Investment income reduced slightly by 6% to £336,000 (prior year £356,000) and donations showed a small decrease from £1.5m in 2012 to £1.4m in 2013. Gross resources arising during 2012-13 amounted to £4.2m compared to the prior year figure of £6.2m.

Total resources expended also decreased to £6.2m from £8.3m in the prior year. The total spent on charitable activities was £5.4m compared to £7.3m in the prior year. Charitable spend was 87% of the total spend (88% prior year). Further information about what has been spent on charitable activities is included in Note 4 to the financial statements.

The Charity's balance sheet shows £9.6m of fixed assets at 31 March 2013 of which £9.4m are investments (£12.3m in 2012). Current assets at 31 March 2013 totalled £3.4m (£1.7m in 2012) including £2.7m of bank balances (£0.7m in 2012).

At 31 March 2013 Creditors' amounts falling due within 1 year amounted to £2.7m (£2.6m in 2012) giving net current assets of £0.7m (there were net current liabilities of £0.9m at 31 March 2012).

The net movement in funds for the year was a deficit of £1.3m which when deducted from the funds brought forward results in fund balances to carry forward of £10.3m. These total funds are split between general funds of £2.5m and designated funds representing research awards approved by the Trustees but not yet payable as detailed in Note 4, amounting to £7.8m. 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.

YORKSHIRE CANCER RESEARCH

**Trustees' Report
for the year ended 31 March 2013**

REGISTERED OFFICE

39 East Parade, Harrogate
North Yorkshire, HG1 5LQ

BANKERS

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

SOLICITORS

Lupton Fawcett Lee & Priestley
Yorkshire House
East Parade
Leeds
LS1 5BD

AUDITORS

Mazars LLP
Mazars House
Gelderd Road
Leeds
LS27 7JN

INVESTMENT MANAGERS

Quilter & Co Limited
4th Floor The Pinnacle
73 King Street
Manchester
M2 4NG

REGISTERED CHARITY NUMBER

516898

REGISTERED COMPANY NUMBER

1919823

This report was approved by the Board of Trustees on 18 September 2013

Professor A W Robards OBE PhD DSc FSB – Chair



YORKSHIRE CANCER RESEARCH

Independent Auditor's Report for the year ended 31 March 2013

We have audited the financial statements of Yorkshire Cancer Research for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 13 the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

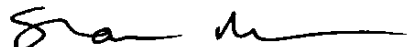
Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Shaun Mullins (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditors
Mazars House
Gelderd Road
Leeds
LS27 7JN

Date 18 November 2013

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2013**

	Notes	2013 £	2012 (Restated) £
Incoming resources			
Donations		1,408,711	1,498,754
Legacies		2,450,617	4,301,702
Activities for generating funds			
Income from trading		4,385	17,790
Investment income	2	336,265	356,378
Incoming resources from charitable activities - Royalties		-	37,500
Gross resources arising		<u>4,199,978</u>	<u>6,212,124</u>
Resources expended			
Costs of generating funds			
Fundraising costs	3	743,368	955,235
Costs of trading		23,691	13,067
Investment management fees		17,300	13,310
		784,359	981,612
Charitable activities	4	5,433,346	7,323,812
Governance costs	3	20,501	20,891
Total resources expended		<u>6,238,206</u>	<u>8,326,315</u>
Net outgoing resources	5	(2,038,228)	(2,114,191)
Realised and unrealised gains/(losses) on investment assets	7	744,554	(191,336)
Net movements in funds		(1,293,674)	(2,305,527)
Fund balances brought forward (as previously reported)		11,599,524	13,905,051
Fund balances carried forward 31 March 2013	13	<u>10,305,850</u>	<u>11,599,524</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 2012 figures have been restated in respect of the allocation of general overheads and staff costs only (see note 3).

The notes on pages 21 to 29 form part of these financial statements

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS


Balance Sheet
as at 31 March 2013

Company number 1919823

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	6	148,765	168,272
Investments	7	9,406,061	12,339,014
		<u>9,554,826</u>	<u>12,507,286</u>
Current assets			
Goods for resale		-	5,155
Debtors	9	726,609	981,831
Cash at bank and in hand	10	2,701,227	710,447
		<u>3,427,836</u>	<u>1,697,433</u>
Creditors: amounts falling due within One year	11	<u>(2,676,812)</u>	<u>(2,605,195)</u>
Net current assets/(liabilities)		<u>751,024</u>	<u>(907,762)</u>
Total assets less current liabilities		<u>10,305,850</u>	<u>11,599,524</u>
Unrestricted funds			
General funds	13	2,543,050	1,765,084
Designated funds	13	7,762,800	9,834,440
Total funds		<u>10,305,850</u>	<u>11,599,524</u>

The financial statements were approved by the Board of Trustees on 18 September 2013 and signed on its behalf by

Professor A W Robards – Chair



A M Sidebottom - Treasurer



The notes on pages 21 to 29 form part of these financial statements

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

**Cash Flow Statement
for the year ended 31 March 2013**

	Note	2013 £	2012 £
Cash outflow from operating activities	15	(2,013,594)	(806,897)
Returns on investments and servicing of finance			
Dividends and interest received		336,265	356,751
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(9,398)	(31,178)	
Purchase of investments	(417,189)	(939,230)	
Sale of investments	6,737,422	1,688,940	
Placed into broker cash deposits	(3,344,522)	-	
Released from term deposits	701,796	(2,506)	
		<u>3,668,109</u>	<u>716,026</u>
Increase in cash in the year		1,990,780	265,880
Net funds at 1 April 2012		<u>710,447</u>	<u>444,567</u>
Net funds at 31 March 2013		<u>2,701,227</u>	<u>710,447</u>

The notes on pages 21 to 29 form part of these financial statements

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2013

1. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention with the exception of investments which are included on a market value basis. The financial statements 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.

The dormant subsidiary trading companies have not been consolidated on the grounds that they are immaterial (note 7).

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.

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 provided 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 recorded 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

Fundraising costs include those incurred in seeking donations and legacies. Governance costs comprise the cost of governance arrangements which relate to the trustees' general running of the Charity 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.

The previous year's figures for resources expended have been restated to reflect a cost apportionment, which in the opinion of the Board of Trustees, is a more appropriate analysis.

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2013

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 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 recorded 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.

Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

2. Investment income

	2013	2012
	£	£
Dividends and interest on investments	270,591	272,264
Interest on bank deposits	65,674	84,114
	<u>336,265</u>	<u>356,378</u>

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2013

3. General overheads and staff costs

	Charitable Activities £	Fundraising £	Governance £	Total £
Publicity	-	196,425	-	196,425
Staff costs	315,327	436,168	3,836	755,331
Travel and motor expenses	12,334	17,061	-	29,395
Office accommodation costs	10,036	13,882	-	23,918
Office repairs and renewals	3,690	5,103	-	8,793
Printing, stationery, postage and sundries	30,589	40,389	4,965	75,943
Legal and professional services	12,697	17,563	11,700	41,960
Depreciation	12,128	16,777	-	28,905
31 March 2013	396,801	743,368	20,501	1,160,670
31 March 2012 (Restated)	365,014	955,235	20,891	1,341,140

The previous year's figures for general overheads and staff costs have been restated to reflect a cost apportionment which, in the opinion of the Board of Trustees, is a more appropriate analysis. Apportionments are primarily made on the basis of time spent.

4 Charitable activities

	2013		2012	
	Incurred £	Future designations £	Incurred (restated) £	Future designations £
Grants payable:				
Research projects, programmes and facilities				
Bradford University	639,770	722,561	578,616	762,285
Hull University	47,849	39,996	29,177	86,244
Leeds University	2,192,328	2,920,541	3,233,582	4,073,774
Sheffield University	1,375,022	2,320,382	1,787,863	2,664,082
York University	729,539	1,759,320	993,016	2,248,055
Travel grants and miscellaneous items	52,037	-	16,536	-
Support costs (Note 3)	396,801	-	365,014	-
	5,433,346	7,762,800	7,003,804	9,834,440
Programme related investments and loans expensed (note 8)			320,008	-
Total	5,433,346	7,762,800	7,323,812	9,834,440

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.

The previous year's figures have been restated in respect of the allocation of general overheads and staff costs only (see note 3).

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2013

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

	2013	2012
	£	£
Staff costs		
Wages and salaries	641,367	564,671
Social security costs	63,416	60,658
Pension costs	50,548	45,270
	755,331	670,599

The average number of staff employed during the year was 19 (2012 – 19)

One employee earned between £80,000 and £90,000 for the year under review (2012 - nil) Employer pension contributions in respect of this employee totalled £7,083 for the year (2012 - £nil)

A further employee earned between £60,000 and £70,000 in the prior year and the employer pension contributions in respect of this employee were £6,001 for the prior year. There were no such employees in this band in the current year under review

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 £885 (2012 - £776). This was in respect of 4 members (2012 - 4)

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 £1,346 (2012 - £1,166)

	2013	2012
	£	£
Auditors' remuneration	11,700	11,400
Fees for non-audit work paid to the auditors	-	1,783
Depreciation of owned assets	28,905	32,459
Loss on disposal of fixed assets	-	(1)
Operating lease rent paid	8,250	8,250

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2013

6 Tangible fixed assets

	Freehold property	Motor vehicles	Office furniture & equipment	Total
	£	£	£	£
Cost				
1 April 2012	179,073	44,435	288,223	511,731
Additions	-	-	9,398	9,398
31 March 2013	<u>179,073</u>	<u>44,435</u>	<u>297,621</u>	<u>521,129</u>
Depreciation				
1 April 2012	81,889	44,431	217,139	343,459
Charge for the year	3,576	-	25,329	28,905
31 March 2013	<u>85,465</u>	<u>44,431</u>	<u>242,468</u>	<u>372,364</u>
Net book amount				
31 March 2013	<u>93,608</u>	<u>4</u>	<u>55,153</u>	<u>148,765</u>
31 March 2012	<u>97,184</u>	<u>4</u>	<u>71,084</u>	<u>168,272</u>

The freehold property is held for use as the head office

7 Fixed asset investments

	2013 £	2012 £
Market value of listed Investments and Unit Trusts	6,403,872	8,635,029
Subsidiary undertakings	202	202
Term deposits	3,001,987	3,703,783
	<u>9,406,061</u>	<u>12,339,014</u>

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2013

7. Fixed asset investments (continued)

	2013 £	2012 £
Listed Investments and Unit Trusts		
Market value at 1 April 2012	8,635,029	9,576,075
Additions	417,189	939,230
Disposals	(6,195,665)	(1,653,785)
Cash deposits	3,344,522	-
Unrealised gains/(losses)	202,797	(226,491)
Market value at 31 March 2013	6,403,872	8,635,029
Realised and unrealised gains on investment assets:		
Realised gains	541,757	35,155
Unrealised gains/(losses)	202,797	(226,491)
Total realised and unrealised gains/(losses)	744,554	(191,336)
Historical cost of investments	5,772,216	8,105,771
Realised gains based on historic cost	100,399	263,902

The market value of the investment portfolio can be categorised as follows

British Government securities	775,516	903,022
UK fixed interest securities – listed on a recognised Stock Exchange	190,126	998,568
UK equity securities – listed on a recognised Stock Exchange	1,751,403	4,097,508
Foreign equity securities – listed on a recognised Stock Exchange	203,111	1,797,871
Unit trusts – invested in foreign equities	-	-
Other investments	139,194	838,060
Cash deposits	3,344,522	-
	6,403,872	8,635,029

The cash deposits consist of balances held in the broker dealing accounts and are a result of timing issues due to the change of investment managers around the year end. The deposits are to be invested by Quilter & Co Limited in a restructured investment portfolio in line with the Charity's investment policy.

British Government securities represent 12.1% of the total value (2012 – 10.5%)

There were no investments in individual company equities that exceeded 5% of the value of the portfolio at 31 March 2013 or 2012.

The investment portfolio was administered by Brewin Dolphin Securities Limited until 18 February 2013. Since that date the portfolio has been administered by Quilter & Co Limited.

	2013 £	2012 £
Subsidiary undertakings		
Cost at 1 April 2012 and at 31 March 2013	202	202

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

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

Notes to the financial statements for the year ended 31 March 2013

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. There were no payments of this nature during the year (2012 - £320,008). 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 29.3% of the issued share capital. Its principal activity is the development of biological agents with applications in human medicine. Professor A W Robards and Dr A Suggett, trustees of YCR, are minority shareholders of Cizzle Biotechnology Limited.

PCT Shareholders Limited (formerly Pro-Cure Therapeutics Limited)

The investment in PCT Shareholders Limited is in 'A' ordinary 1p shares (being a 7.9% holding of 'A' ordinary 1p shares) and 'D' ordinary 1p shares (being a 23.1% holding of 'D' ordinary 1p shares). During the year, having failed to secure a sale of either the shares or the assets of the company on terms acceptable to the shareholders, the company transferred its portfolio of intellectual property rights for valuable consideration to the University of York. The funds secured from the sale were used to discharge all the company's creditors. The University of York entered into an agreement with the company to endeavour to exploit the intellectual property rights it acquired and certain payments are due to the company dependant on the outcome of this process. That process is still on-going. The Charity will share proportionately in any such benefit.

Photopharmica Research Limited

The investment in Photopharmica is through YCR's subsidiary, YCR Scientific Developments Limited, and is in ordinary 0.1p shares, representing 0.34% of the issued share capital. Its principal activity is that of a holding company. Its subsidiary researches and develops human therapeutic products. Professor SB Brown, a Trustee of YCR, is a director and shareholder of Photopharmica Research Limited, holding 8.6% of the issued share capital.

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

**Notes to the financial statements
for the year ended 31 March 2013**

9. Debtors

	2013	2012
	£	£
Amounts falling due within one year		
Income tax recoverable	22,421	28,493
Other debtors	-	1,309
Accrued legacy income	569,608	802,110
Prepayments and other accrued income	134,580	149,919
	<u>726,609</u>	<u>981,831</u>

10. Cash at bank and in hand

	2013	2012
	£	£
Cash at bank and in hand	2,527,066	517,667
Cash held by local committees	174,161	192,780
	<u>2,701,227</u>	<u>710,447</u>

11. Creditors' amounts falling due within one year

	2013	2012
	£	£
Taxation and social security	22,684	16,264
Amounts owed to subsidiary undertaking	202	202
Research expenditure	2,581,184	2,514,286
Other creditors and accruals	72,742	74,443
	<u>2,676,812</u>	<u>2,605,195</u>

Research expenditure comprises accruals for amounts incurred by the recipient body up to 31 March 2013

12. Commitments

	2013	2012
	£	£
Rent payable in the coming year on a property lease		
- Expiring one to five years	8,250	8,250
Capital contracts	-	-

YORKSHIRE CANCER RESEARCH

FINANCIAL STATEMENTS

**Notes to the financial statements
for the year ended 31 March 2013**

13. Statement of funds

	General Fund £	Designated Fund £	Total Funds £
At 1 April 2012 as previously reported	1,765,084	9,834,440	11,599,524
Income	4,199,978	-	4,199,978
Expenditure	(1,201,661)	(5,036,545)	(6,238,206)
Net investment gains	744,554	-	744,554
Funds designated during the year	(2,964,905)	2,964,905	-
At 31 March 2013	<u>2,543,050</u>	<u>7,762,800</u>	<u>10,305,850</u>

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

14 Analysis of net assets between funds

	General Fund £	Designated Fund £	Total Funds £
Fund balances at 31 March 2013 are represented by			
Tangible fixed assets	148,765	-	148,765
Fixed asset investments	1,643,261	7,762,800	9,406,061
Net current assets	751,024	-	751,024
Total net assets	<u>2,543,050</u>	<u>7,762,800</u>	<u>10,305,850</u>

15 Net cashflow from operating activities

	2013 £	2012 £
Net outgoing resources for the year	(2,038,228)	(2,114,191)
Investment income	(336,265)	(356,378)
Depreciation (including gains/losses on disposal of fixed assets)	28,905	32,460
Decrease/(increase) in stocks	5,155	(55)
Decrease/(increase) in debtors	255,222	(41,802)
Increase in creditors	71,617	1,673,069
Net cash outflow from operating activities	<u>(2,013,594)</u>	<u>(806,897)</u>