

**THE CANCER RESEARCH CAMPAIGN**

**Report and Accounts**

**31 March 2006**



**THE CANCER RESEARCH CAMPAIGN**  
**(Company No. 190141)**

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**THE CANCER RESEARCH CAMPAIGN**  
(Company No. 190141)

**LEGAL AND ADMINISTRATIVE DETAILS**

**STATUS**

The Cancer Research Campaign ('The Campaign') is a charity registered in England & Wales under number 225838 and a company limited by guarantee, registered in England & Wales under number 190141. The Campaign is governed by its Memorandum and Articles of Association.

**TRUSTEES**

Cancer Research UK became the sole trustee/director of The Campaign on 27 August 2003.

The Trustees of Cancer Research UK, including those who served during the financial year and as at the date the financial statements were signed, are:

David Newbigging OBE (Chairman)  
Professor Colin Bird CBE FRSE (*from 14 September 2005*)  
Professor Sir Leszek Borysiewicz PhD FRCP FRCPATH FMedSci (*to 14 September 2005*)  
Dr Philip Campbell BSc MSc DSc FInstP FRAS  
Professor Sir David C Carter MD FRCS FRSE (Deputy Chairman *from 1 October 2005*)  
The Baroness Cumberlege of Newick CBE DL  
Professor Barry Furr OBE FMedSci FI Biol BSc MA PhD (*from 14 September 2005*)  
Professor Keith Gull CBE FMedSci FRS  
Elizabeth A Hewitt FCA BSc (Econ) FRSA  
Dr Melanie G Lee BSc DSc(Hon) FMedSci  
Dame Bridget Ogilvie DBE ScD FRS  
Dr Brendan R O'Neill MA FCMA  
Dr Keith F Palmer (Treasurer)  
Anthony H Percival FCA  
Timothy S Pile  
Professor Sir George K Radda CBE FRS (*to 30 September 2005*)  
Dr Carole A Rawlinson  
Professor Dame Nancy J Rothwell DBE DSc FMedSci FIBiol FRS  
Leah Sowden FCA CTA (*from 14 September 2005*)  
Sir John Skehel KB PhD FRS (*to 14 September 2005*)  
Sir Kenneth Stowe GCB CVO MA  
Professor Jeffrey S Tobias MD FRCP FRCS  
Geoffrey van Cutsem FRICS (*to 14 September 2005*)  
Dr Harold Varmus MD (*from 21 June 2006*)

**SECRETARY**

Ms Diane E Scott

**REGISTERED OFFICE**

61 Lincoln's Inn Fields  
London  
WC2A 3PX

**BANKERS**

Lloyds TSB Bank plc  
Pall Mall St James's  
8/10 Waterloo Place  
London SW1Y 4BE

**AUDITORS**

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

## **TRUSTEE'S REPORT**

The Trustee presents its annual report and accounts for the financial year to 31 March 2006.

The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published by the Charity Commission in February 2005. They have also been prepared in accordance with The Campaign's governing document.

### **OBJECTIVES AND PRINCIPAL ACTIVITY**

The Campaign's objective is to attack and defeat the disease of cancer in all its forms, to investigate its causes, distribution, symptoms, pathology and treatment and to promote its cure.

The Campaign transferred its operations and legal and/or beneficial title to all its assets and liabilities to Cancer Research UK on 4 February 2002. However, The Campaign acts as a trustee for legacy income for Cancer Research UK and holds legal title to some assets that have yet to be formally transferred to Cancer Research UK – the beneficial title to such assets is however held by Cancer Research UK. Under the terms of the merger agreement any income of The Campaign belongs to Cancer Research UK.

War on Cancer and The Gibb Fellowship Fund remain part of The Campaign Group.

### **FINANCIAL REVIEW**

The accounts show a break-even position for the year.

The Campaign continues to act in a trust capacity to receive legacy income. Under the terms of the merger agreement, which is referred to above, the beneficial interest to this income belongs with Cancer Research UK.

Legacy income declined in the year from £47,680k to £44,632k and the pipeline figure at the year end declined from £32m to £26m. Legacy income for The Campaign peaked in the period ended 31 March 2003, the first accounting period immediately following the merger and formation of Cancer Research UK and has been in decline since then. For accounting disclosure purposes, as required by The Charity Commission, this has been shown as both incoming resources and a transfer to Cancer Research UK.

Conversely, legacy income in Cancer Research UK has grown strong form the merger in February 2002, more than offsetting any decline in The Campaign. This is entirely to be expected as testators have re-written their wills substituting the name of Cancer Research UK for The Campaign.

### **TRUSTEE'S RESPONSIBILITIES**

The Trustee (who is also the director of The Cancer Research Campaign for the purposes of company law) is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the director of a charity to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the income and expenditure for that period. In preparing the accounts, the Trustee is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable the Trustee to ensure that the accounts comply with the Companies Act 1985. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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As far as the Trustee is aware:

- There is no relevant material audit information of where The Campaign's auditors are unaware; and
- The Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustee is responsible for the maintenance and integrity of the governance and financial information published in respect of The Campaign. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**GOVERNANCE**

Following the merger and the transfer of assets and liabilities of The Campaign to Cancer Research UK, the Articles of Association of The Campaign were amended by the members at an Extraordinary General Meeting held 27 August 2002 so that The Campaign could be operated and administered more efficiently as part of the Cancer Research UK Group. In particular, on 27 August 2002 and in accordance with the revised Articles of Association, Cancer Research UK became the sole Trustee/director and member of The Campaign with the remaining Trustees and members resigning with effect from that date. Accordingly, Cancer Research UK has responsibility for the overall direction and control of The Campaign. The authorised representatives of the sole Trustee/ director of The Campaign are provided with induction and continuing training to become familiar and remain up to date with their role and responsibilities as a trustee and member of the General Purposes Committee of Cancer Research UK. The authorised representatives are all trustees of Cancer Research UK and are drawn from leading organisations in science, medicine, business, finance and industry with periodic reviews being undertaken by the Nomination and Remuneration Committee of Cancer Research UK to ensure a comprehensive range of professional qualifications, skills and experience appropriate to The Campaign's requirements. Trustee Appointments are made in accordance with Cancer Research UK's governing document, policies and procedures, together with these of The Campaign.

The members of the General Purposes Committee (GPC) of Cancer Research UK were appointed as Cancer Research UK's authorised representatives in its capacity as sole Trustee/Director and member of The Campaign with effect from 24 September 2002. For the financial year ending 31 March 2006 the General Purposes Committee was formed of the following members of the Council of Trustees of Cancer Research UK (who are unpaid): David Newbigging OBE (Chair to 30 September 2005, Deputy Chairman to 1 November 2004), Professor Sir George Radda (Deputy Chairman), Professor Sir Leszek Borysiewicz (to 14 September 2005), Dr Philip Campbell, Professor Sir David Carter, Baroness Cumberlege, Dr Keith F Palmer.

**INTERNAL CONTROL AND RISK MANAGEMENT**

The Trustee is responsible for The Campaign's systems of internal control and their effectiveness. These systems are used to manage rather than totally eliminate any risk of failure to achieve The Campaign's objectives, and provide reasonable, but not absolute, assurance against material misstatement or loss.

The potential risks arising from The Campaign's activities are reviewed and assessed through the work of the Audit Committee of Cancer Research UK, which monitors the implementation of measures to reduce risks or mitigate their effects, for the Cancer Research UK Group.

As a result, the major risks to which The Campaign is exposed have been reviewed and systems have been established to control or mitigate the effect of these risks on the achievement of The Campaign's objectives.

**RESERVES**

The Trustee is responsible for ensuring that the level of reserves is appropriate to the present and planned activities of The Campaign, taking account of the uncertainty attaching to future income, investments and costs. As part of the merger agreement all existing obligations of The Campaign were transferred to Cancer Research UK and surpluses arising after this date are to be transferred to Cancer Research UK. Cancer Research UK has indemnified The Campaign against any loss and/or liability relating to the activities carried on by The Campaign and transferred to Cancer Research UK as well as any liabilities incurred by The Campaign in connection with its continuing activities.

The Trustee will therefore not retain reserves other than those held in respect of War on Cancer and The Gibb Fellowship Fund. The Campaign will maintain a break-even level of operations.

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**ACTIVITIES AND PERFORMANCE OF SUBSIDIARIES**

The Campaign has two subsidiary entities that are involved with cancer research War on Cancer and The Gibb Fellowship Fund. These results for the year are set out in note 4 to the accounts and are considered to be satisfactory.

**EMPLOYEES**

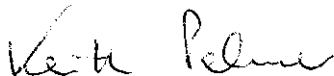
The Campaign had no employees during the financial year.

**AUDITORS**

On 1 July 2004, the Company's auditors, Grant Thornton, converted to a limited liability partnership called Grant Thornton UK LLP. Under Section 26(5) of the Companies Act 1989, the directors have extended the appointment to Grant Thornton UK LLP with effect from 1 July 2004.

A resolution for the reappointment of Grant Thornton UK LLP as auditors of Cancer Research UK, the parent undertaking of The Campaign will be proposed at Cancer Research UK's forthcoming Annual General Meeting.

Approved and signed on the Trustee's behalf



Member of the General Purposes Committee of  
Cancer Research UK  
8 August 2006

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
THE CANCER RESEARCH CAMPAIGN**

We have audited the financial statements of The Cancer Research Campaign for the year ended 31 March 2006 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and notes 1 to 8. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditors' 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 company and the company's member, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The sole trustee is also the director of The Cancer Research Campaign for the purposes of company law. The responsibilities for preparing the Trustee's report and the financial statements in accordance with United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of the Trustee's 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustee's report is not consistent with the financial statements, if The Cancer Research Campaign has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustee's report and legal and administrative details, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of 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 Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to The Cancer Research Campaign's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the 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.

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**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charity's affairs as at 31 March 2006 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 the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements for the year ended 31 March 2006.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
LONDON

8 August 2006



**STATEMENT OF FINANCIAL ACTIVITIES**

**For the year ended 31 March 2006**

**(Incorporating an Income and Expenditure account)**

	Note	2006 Restricted Funds £'000	2005 Restricted Funds £'000
<b>Incoming resources from generated funds</b>			
Voluntary Income –Legacies	2	44,632	47,680
<b>Resources expended</b>			
Costs of generating funds	3	-	-
Costs of generating voluntary income	3	-	-
Governance costs	3	-	-
<b>Net incoming resources before transfers</b>		<u>44,632</u>	<u>47,680</u>
<b>Transfer of funds to Cancer Research UK</b>		<u>(44,632)</u>	<u>(47,680)</u>
<b>Total funds carried forward</b>		<u><u>-</u></u>	<u><u>-</u></u>

All funds received in the year were held on trust for the benefit of Cancer Research UK.

All amounts relate to continuing operations and all gains and losses recognised in the year are recorded in the Statement of Financial Activities.

The notes on pages 9 to 12 form an integral part of the accounts.

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**BALANCE SHEET**

**As at 31 March 2006**

	Note	2006 £'000	2005 £'000
Fixed assets: investments	4	-	-
		<hr/>	<hr/>
		-	-
<b>Net assets</b>		<hr/>	<hr/>
<b>Reserves:</b>			
General fund		-	-
		<hr/>	<hr/>
<b>Total reserves</b>		<hr/>	<hr/>

These financial statements were approved by the Trustee on 8 August 2006 and signed on the Trustee's behalf by:



Dr Keith F Palmer  
Member of the General Purposes Committee of  
Cancer Research UK

The notes on pages 9 to 12 form an integral part of the accounts.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2006**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The principal accounting policies, all of which have been applied consistently throughout the period, are set out below:

**Accounting convention**

The accounts are prepared under the historical cost convention, and in accordance with the reporting requirements of the Companies Act 1985, The Campaign's memorandum and articles of association, together with applicable accounting standards. The Campaign has complied with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in February 2005.

The Campaign is a subsidiary of Cancer Research UK and has taken advantage of the exemption conferred by Financial Reporting Standard No. 1 (Revised) not to prepare a cash flow statement.

**Group accounting**

In accordance with s228 of the Companies Act 1985, The Campaign has taken advantage of the exemption available not to prepare and deliver group accounts. Accordingly, The Campaign's financial statements present information about it as an individual undertaking and not about it as a group.

**Incoming resources from generated funds**

All income is recognised when The Campaign has entitlement, certainty of receipt and the amount is capable of measurement.

Pecuniary legacies are recognised as they are received.

Residuary legacies are included in the accounts at the earlier of receipt or agreement of the estate accounts. Finalisation of the estate accounts is assumed when notification of this is received from the personal representatives.

Reversionary interests, involving a life tenant, are not recognised in the accounts due to the inherent uncertainties in valuing those interests.

Donated services are provided by Cancer Research UK to support the fundraising activities of the Campaign. The value of these services is not recognised in these accounts as it is not considered that they can be practically or reasonably quantified or measured.

**Investments**

Subsidiary undertakings are valued at cost less any provision for impairment.

**Fund Accounting**

The funds held by The Campaign are restricted funds that are only available for transfer to Cancer Research UK.

**Related party transactions**

The Campaign has taken advantage of the exemption, which is conferred by Financial Reporting Standard No. 8, Related Party Disclosures that allow it not to disclose transactions with group undertakings that are eliminated on consolidation.

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**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2006**

**2. LEGACIES**

The Campaign is entitled to legacies, which have not been accrued for as no distribution was agreed by 31 March 2006. It is difficult to estimate the amounts involved. However, it is felt helpful to give as accurate an indication as is practical of known legacy income, which will be received by The Campaign on behalf of Cancer Research UK, in later accounting periods. The amounts that are estimated for pecuniary and residuary legacies are £26 million (2005 - £32million).

At 31 March 2006 The Campaign had an interest in 763 estates that are subject to a life interest (2005 - 728). In accordance with The Campaign's accounting policy on recognising legacy income, reversionary interests involving a life tenant are not recognised in these accounts. Neither is it considered practical at this time to give an indication of what these interests might currently be worth.

**3. RESOURCES EXPENDED**

Costs incurred in governance and generating legacy income were borne by the parent charity undertaking Cancer Research UK in the year to 31 March 2006 and the year to 31 March 2005.

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**NOTES TO THE ACCOUNTS**  
Year ended 31 March 2006

**4. SUBSIDIARY UNDERTAKINGS**

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Cost at 1 April 2005 and 31 March 2006

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The Campaign has two wholly owned subsidiary undertakings:

- War on Cancer, a trust created by a Declaration of Trust, funds cancer research and treatment carried out at the University of Bradford. The Campaign has the right to appoint the Trustees of War on Cancer.
- The Gibb Fellowship Fund, a permanent endowment fund created by will trust, funds fellowships and/or studentships for cancer research. The Campaign has the right to appoint the Trustees of the Fund.

Separate accounts have been prepared for these subsidiary undertakings.

The summarised financial information of the subsidiary undertakings is provided below.

	War on Cancer		The Gibb Fellowship Fund	
	2006 £000	2005 £000	2006 £000	2005 £000
<b>Incoming resources from generated funds:</b>				
Voluntary income	535	88	-	-
Investment income	166	159	221	248
<b>Total incoming resources</b>	<b>711</b>	<b>247</b>	<b>221</b>	<b>248</b>
<b>Resources expended:</b>				
Cost of generating funds	-	-	(16)	(28)
Charitable activities	7	(857)	(313)	(33)
Governance costs	-	-	-	-
<b>Total resources expended</b>	<b>7</b>	<b>(857)</b>	<b>297</b>	<b>(61)</b>
<b>Net (outgoing)/incoming resources for the period</b>	<b>708</b>	<b>(610)</b>	<b>518</b>	<b>187</b>
Gains on investment assets	755	408	832	245
<b>Net movement in funds</b>	<b>1,463</b>	<b>(202)</b>	<b>1,350</b>	<b>432</b>
Assets	4,333	3,645	6,569	5,521
Liabilities	(1,870)	(2,645)	(4,426)	(4,728)
<b>Net assets</b>	<b>2,463</b>	<b>1,000</b>	<b>2,143</b>	<b>793</b>

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**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2006**

**5. TAXATION**

The Campaign's activities are exempt from taxation under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to The Campaign's charitable objectives.

**6. AUDITORS' REMUNERATION**

Auditors' costs have been borne by the parent charity undertaking, Cancer Research UK, in the year to 31 March 2006 and the year to 31 March 2005.

**7. TRUSTEE AND EMPLOYEES**

The Trustee received no remuneration from The Campaign during the period (2005: £nil), nor did the Charity reimburse the Trustee for any expenses (2005: £nil).

The Campaign had no employees in the current or the prior year.

**8. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking and controlling entity is Cancer Research UK, is registered in England and Wales as a charity number 1089464, a company limited by guarantee and incorporated and registered in England & Wales, with Company number 4325234. Copies of the financial statements of Cancer Research UK are available from 61 Lincoln's Inn Fields, London WC2A 3PX.