

Annual Report & Accounts 2010



CHILDREN with CANCER UK

Registered Charity No. 298405. Formerly CHILDREN with LEUKAEMIA UK. Inaugurated in 1988 by Diana, Princess of Wales



Review of the year

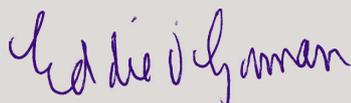
Foreword by the Chairman

As anticipated, 2010 was another challenging year economically. However, despite these challenges, we achieved a modest increase in income and succeeded in funding innovative and important projects in our fight against childhood leukaemia and other childhood cancers.

Over the past 23 years, what started as a small memorial charity has become a major force in paediatric oncology helping to drive the survival rate for childhood leukaemia above 80 per cent.

Building on this success, in 2011 we have ceased to promote our working name of CHILDREN with LEUKAEMIA and are known by our reporting name, CHILDREN with CANCER UK. We will continue to fund life-saving research into the causes, prevention and treatment of childhood leukaemia and other childhood cancers and will continue our work to protect young lives through essential welfare and campaigning programmes.

We thank you for your interest in our work and hope that you will continue to work in partnership with us to achieve our aims.



Eddie O'Gorman, OBE, Chairman of Trustees



Since broadening our charitable objectives in 2007, we have funded some important projects relating to other types of childhood cancer. However, our primary focus has remained on leukaemia, the most common childhood cancer.

Significant advances have been made in our understanding and treatment of childhood leukaemia but this progress has not necessarily been paralleled in other forms of childhood cancer.

We hope that our increasing focus on other childhood cancers will stimulate new research and encourage more collaborative research work across the different types of childhood cancer. Ultimately, we hope that this will help many more children and save many more young lives.

This time last year we set out our goals for 2010 and we now reflect on how we have performed against each of them.

Research into childhood cancer

As planned, in 2010 we continued to fund high quality research into childhood leukaemia and other forms of cancer affecting children and young people. Significant grants this year included:

- £330,000 to the UCL Cancer Institute to facilitate Professor Tariq Enver's move from Oxford and enable expansion of his world-leading research on leukaemic stem cells (see page 8);
- £168,039 to the Childhood Cancer Research Group in Oxford (Dr Michael Murphy and Dr Gerald Draper) for studies on retinoblastoma, a cancer of the eye which mainly affects the under fives; and

- £120,000 to support the establishment of the Children's Cancer Trials Team at the University of Birmingham. This new unit will take over responsibility for running the UK's childhood clinical trials and developing new trials.

(See page 27 for a full list of grants awarded).

2011 will be an exciting year for the Charity as we make the full transition to CHILDREN with CANCER UK.

We will continue to fund innovative research into childhood cancers in an effort to improve understanding and advance treatments.

We have already launched our 2011 grant round, our biggest ever, with £2 million available for research into the causes of childhood cancers. In addition, we hope to fund a number of new initiatives directly focused on the treatment of childhood cancers.

We also plan to expand and strengthen our panel of scientific advisors to reflect our increasing focus on other childhood cancers and to work with these advisors to develop our research strategy accordingly. At the same time, we will take forward plans for our 2012 conference on 'early exposures' and childhood cancer.

Care of children with cancer

In 2010, we continued our partnership with CLIC Sargent, making a further grant of £200,000 for Paul's Fund, through which they provide much needed financial assistance to the families of children being treated for cancer. We do not have the infrastructure to provide this kind of assistance directly to families so our partnership with CLIC Sargent is very important.

We provided further funding of £750,000 to Paul O'Gorman Lifeline to support their valuable work for children with cancer from Eastern Europe.

We are pleased to report that we continued our support of Christopher's Hospice in Surrey with a grant of £60,000 to CHASE Hospice Care (now Shooting Star CHASE); we provided funding of £20,000 to Keech Hospice Care in Luton to support their work with children and young people with cancer; and we awarded funding of £48,000 to Lifelites, an organisation that provides IT and entertainment equipment for children's hospices.

We were also pleased to work with Marie Curie Cancer Care on a project at Great Ormond Street Hospital, dedicated to improving care for terminally ill children. We provided funding of £85,733 to support this new initiative.

(See page 27 for a full list of grants awarded).

In 2011, as part of the ongoing review of our work, we have made the difficult decision not to continue our annual children's party, through which we have entertained many thousands of sick and disadvantaged children since 1988.

Over the coming months, we will be carrying out a review of our welfare activities to determine how best to direct our efforts in the years ahead.

Raising awareness

We campaign to raise awareness of issues affecting children with cancer.

Much of our campaigning activity relates to the link between overhead power lines and the risk of childhood leukaemia. Research has shown that children who live in proximity to high voltage overhead power lines have an increased risk of developing leukaemia.

However, the reasons for this association are not well-understood. Whilst research continues, we believe that the '*precautionary principle*' should be applied to the development of homes and schools in proximity to power lines and vice versa.

2010 was a busy year for campaigning with the general election in May and subsequently a large number of new MPs to meet and brief.

During the year we have worked to broaden our supporter base in Parliament and, through working with MPs and Peers, we have raised issues of relevance during the passage of the Government's health and local government reforms.

In 2011, we will be lobbying Government on the new Bills announced following the election – in particular the Localism Bill. We want to ensure that communities have a greater say over the location of new power lines in relation to their homes and schools.

We will also continue to engage with a range of stakeholders to explore how public health issues can be taken into consideration in planning applications for our communities.

Fundraising

Despite the continuing challenges of the economic climate, we are pleased to report a modest increase in income in 2010, taking our total income to just over £11 million. This is the result of small income increases across most areas of activity.

In 2011, we will continue to build on our existing successful activities and streamline our costs to maximise the amount of money available to support our charitable work.

Financial review

In the year to 31st December 2010, we made a surplus of £3,382,244 (2009: £1,116,186) and our net asset position has risen from £4,506,938 to £7,889,182.

Grant expenditure was low in 2010 and, together with the better than expected fundraising income, this resulted in the large surplus for the year.

Our net assets exceed the requirements of our reserves policy facilitating our expanded focus from leukaemia to all forms of childhood cancer.

Grant-making activity will be increased in 2011. We have already launched a major grant round for research into the causes of childhood cancers through which we expect to grant at least £2 million. A number of other grants and initiatives are currently in development.

(See page 21 for full financial information).

About childhood cancer

Around 1,500 children are diagnosed with cancer every year in the UK. There are more than 50 different types of cancer affecting children, divided into 12 main groups.

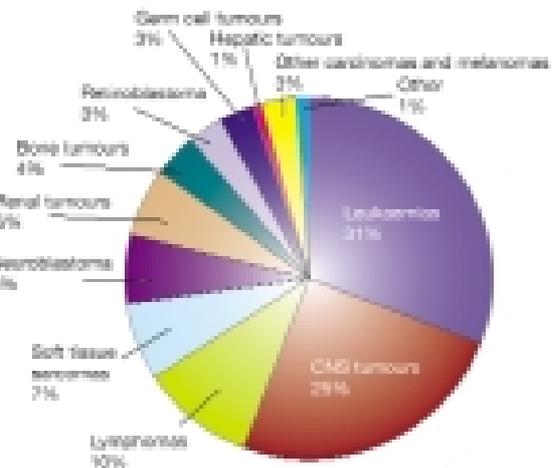
Leukaemia is the most common type of cancer to affect children, followed by brain and spinal tumours (or central nervous system CNS tumours).

Together, leukaemia and CNS tumours account for more than half of all cancers diagnosed in children.

Important progress has been made in the treatment of childhood cancer over the past few decades. In the late 1960s, almost three quarters of children diagnosed with cancer died. Today, more than three quarters of children diagnosed with cancer survive¹.

“It’s an enormous challenge but we have considerable support and are confident that we can make a real difference to the lives of children with cancer.”

**Main types of childhood cancer
Children aged 0 - 14 years
Great Britain 2001 to 2005**



Based on data provided by National Registry of Childhood Tumours (<http://www.ccr.org.uk/datasets/registrations.html>)

Improving the outlook for children with cancer

Although there is a high overall survival rate for children with cancer, there is a wide variation between different types of childhood cancer. Survival rates for the 12 main groups vary between 99 per cent for retinoblastoma and 61 per cent for bone tumours².

Within these groups, the survival rates for the sub-types vary even more. One rare type of embryonal tumour has no long-term survivors¹.

We will continue to fund research aimed at improving the outlook for children diagnosed with leukaemia. As CHILDREN with CANCER UK, we will be reviewing our research strategy to consider how best we can help children with other kinds of cancer.

As well as funding research that will increase survival rates, we are concerned with minimising the

damage caused by treatments. Existing treatments can cause long-lasting damage to children’s health and development – including a risk of second cancers, heart problems, cognitive impairment and infertility. These problems are not unique to those with certain types of cancer, but common across all children being treated for cancer.

We want to harness existing knowledge to benefit all children with cancer and encourage new approaches to treatment and care. By facilitating more collaboration between clinicians and scientists, we can reduce the time lag between the laboratory and the ward.

It’s an enormous challenge but we have considerable support - we are confident that we can make a real difference to the lives of children with cancer.

¹Trends in survival from childhood cancer diagnosed during 1966-2000 in Britain, five year survival rate for all cancers. Charles Stiller, Childhood Cancer in Britain – incidence, survival, mortality

²National Registry of Childhood Tumours / Childhood Cancer Research Group <http://www.ccr.org.uk/datasets/survivalrates.htm>



“Louis was just 19 months old when he was diagnosed with acute lymphoblastic leukaemia (ALL). If we are sure of one thing, it’s that Louis will fight this and he will get better - we have no doubt.”

Louis’ mum, Claire

Research

Despite the great progress in treating childhood cancers, surprisingly little is known about the causes of most of these cancers.

Childhood cancer incidence in Britain increased by 38 per cent between 1966 and 2000³. Improvements in diagnosis and registration probably account for some of the increase, but it does appear that there has also been a real increase in risk. Similar increases have been reported in other countries.

There are more than 50 different types of cancer affecting children, divided into 12 main categories.

All of these cancers begin with a genetic mutation in a single cell. This eventually causes the cell to divide out of control, with devastating consequences.

In many cases, the initial mutation occurs before birth. In leukaemia, we know that many more children are born with the mutation than go on to develop leukaemia. We don't know why the disease progresses in some children and not others.

The increase in incidence of childhood cancers suggests that environmental and lifestyle factors may affect risk. It is not only exposures during childhood that may be important, but also exposures during their time in the womb, and preconception exposures of parents.

Research into the causes of childhood cancer is a broad field. It includes research into possible environmental and lifestyle risk factors and the biological mechanisms by which cancer develops.

Improving our understanding of why these devastating diseases develop gives us an insight into better ways of treating them.

It will help us to develop increasingly tailored treatments that will continue to drive up the survival rates and reduce the risk of adverse effects associated with current treatments.



“Caitlin was diagnosed with leukaemia when she was just five years old. Her treatment ended in 2007, and she's doing fantastically. She is as energetic as any 10 year old and looks back on her treatment as a challenging yet positive experience.”

Caitlin's mum, Mary

³Time trends in incidence 1966-2000. Charles Stiller, Childhood Cancer in Britain – incidence, survival, mortality.

Studying rare cancers



Professor Jillian Birch is leading the UK pilot as part of an international collaboration, looking at a group of rare, understudied childhood cancers.

Work will soon begin on an important study looking at a group of childhood cancers known as embryonal tumours. These tumours occur in many different parts of the body. The study focuses on those that occur outside of the brain – including neuroblastoma (sympathetic nervous system), Wilms tumour (kidney), hepatoblastoma (liver), retinoblastoma (eye) and rhabdomyosarcoma (skeletal muscle).

Around 280 children are diagnosed with embryonal tumours every year in Britain. Most of these children are under the age of five.

The relative rarity of these tumours makes them difficult to study. However, the International Agency for Research on Cancer (IARC) is leading a ground-breaking international study, across 15 countries and five continents.

The large number of cases accessible through this international collaboration will address the problems of small sample sizes encountered in previous studies of these rare tumours. The study will also include comprehensive investigations of how genetics and environmental factors interact to cause childhood cancer.

Each participating country must conduct a pilot study before the full-scale study can proceed. The pilot studies will provide essential information on which to base the full-scale study protocol. Participating centres will be able to identify and resolve issues and problems specific to their country.

CHILDREN with CANCER UK is supporting the UK pilot, which is being led by Professor Jillian Birch of the University of Manchester.

“There are more than 50 different types of cancer affecting children, divided into 12 main categories.

Improving our understanding of why these devastating diseases develop gives us an insight into better ways of treating them.”

Research

Professor Tariq Enver

Our most significant research grant in 2010 was awarded to University College London (UCL) to support the move of Professor Tariq Enver to the UCL Cancer Institute.

Professor Enver is an international leader in the field of leukaemic stem cells. His recent breakthrough research has identified the cells in which the most common form of childhood leukaemia, acute lymphoblastic leukaemia (ALL), first arises and also characterised leukaemic stem cells, which may be responsible for disease relapse.

Professor Enver's move to UCL widens and enriches the research environment available to his group. It facilitates interaction with scientists and clinicians working across UCL, including the Institute of Child Health and Great Ormond Street Hospital. It also provides the space and resources to enable expansion of their vital research.

Stem cells, blood production and leukaemia development

Our bone marrow produces millions of blood cells every second.

Three types of blood cell are produced – red blood cells, white blood cells and platelets. Red blood cells carry oxygen around the body, white blood cells (of which there are several types) fight infection and platelets help our blood to clot following injury.

These mature blood cells originate from rare stem cells in our bone marrow. Stem cells have the unique ability to simultaneously renew themselves (to maintain the pool of stem cells) and generate *progenitor* cells, which then develop into mature blood cells when needed by the body.

Leukaemia arises because of accumulated genetic mistakes (mutations) arising in single stem cells.

It has been shown that some early or 'initiating' mutations occur before birth but only one per cent of children born with such mutations will go on to develop leukaemia.

Working with pairs of identical twins in which one twin has developed leukaemia, Professor Enver has identified a pre-leukaemic stem cell in children carrying initiating mutations.

By itself, this pre-leukaemic stem cell is harmless and disappears with age. However, if it acquires additional mutations, it can develop into a leukaemic stem cell.

This is the rare cell responsible for full-blown leukaemia, just as a normal stem cell is responsible for normal blood production.

Research is now underway to understand why pre-leukaemic stem cells are converted into leukaemic stem cells in some children but not others.

World-leading research into leukaemic stem cells

The overall aim of Professor Enver's team is to map out the molecular mechanisms that regulate the function of normal stem cells.

Simply, they want to understand how leukaemic stem cells differ from normal stem cells.

The results of their work are already being taken onto the ward, for the benefit of children being treated for leukaemia. Professor Enver is working with the team at Great Ormond Street Hospital to look at the persistence of the leukaemic stem cell during treatment.

They want to establish whether regular chemotherapy eliminates leukaemic stem cells, the root cause of the disease, rather than just the abnormal blood cells that form the bulk of the leukaemia.

The persistence of leukaemic stem cells could explain why some children relapse after conventional chemotherapy. If this is established, new treatments can be designed that specifically target leukaemic stem cells.

“The results of their work are already being taken onto the ward, for the benefit of children being treated for leukaemia.”



Professor Tariq Enver and colleague, Doctor Christina Jensen

Research

Brave twins help scientists find out more about the development of leukaemia

In October 2008, at just five years of age, Tomas Cowpe was diagnosed with acute lymphoblastic leukaemia (ALL).

Now, Tomas and his identical twin brother Daniel are helping scientists to find out what triggers leukaemia.

While having to deal with Tom's illness, the Cowpe family had to cope with a further blow. Tom's diagnosis also had implications for his twin brother.

Research has shown that the first stages of leukaemia develop before birth, when a genetic mutation in a blood stem cell results in a proliferation of pre-leukaemic stem cells, as outlined on the previous page.

As identical twins, Tomas and Daniel shared the same blood supply in the womb. So, if Tomas was born with pre-leukaemic stem cells then it was likely that Daniel also had them. A blood test confirmed that this was the case.

In such cases, the chance of the second twin also developing leukaemia is one in ten. The twins' parents have had to watch Tomas go through the ordeal of chemotherapy knowing that Daniel may one day face the same thing.

Thankfully, Tomas is doing well and is into the final year of his three years of treatment.

Daniel remains healthy. He has monthly blood tests to check for signs of the disease developing. So far, the results have been clear.

The family readily agreed to take part in important research being carried out by Professor Tariq Enver and Professor Mel Greaves.

Twins like Tomas and Daniel provide the unique opportunity to backtrack in time and study the different stages of the leukaemic process.

This has enabled scientists to identify the pre-leukaemic stem cells that we now know are present at birth in many more children than actually go on to develop leukaemia.

Ongoing research will help to reveal why these pre-leukaemic cells lie dormant in some children but evolve into full-blown leukaemia in others.

"What we've been through is terrible – most of all for Tomas," says Sam, Tomas' mum. "But it's good to know our boys are helping scientists discover more about this disease."



Tomas and his identical twin brother Daniel are helping scientists to find out what triggers leukaemia.



Tomas was diagnosed with leukaemia at just five years of age.

Caring for children with cancer

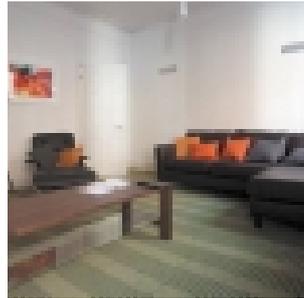
Paul's House

Treatment for cancer typically involves long periods of time in hospital.

University College London Hospital (UCLH) is one of the UK's specialist paediatric oncology centres. Around 200 children and teenagers with cancer are treated here every year. Two thirds of these children come from outside London, travelling from all over the south east of England. This distance puts a great strain on families.

We have helped our friends at CLIC Sargent to open a home from home for families of children being treated at UCLH. Just a couple of minutes walk from the hospital, Paul's House offers the whole family a place to stay for as long as necessary.

Named after Paul O'Gorman, in whose memory our charity was formed, Paul's House opened its doors to families for the first time on 30th September 2010.



The Amazing Great Children's Party

Since the very first party in 1988, sick and disadvantaged children have been coming from far and wide to enjoy our amazing, great day of fun.

Over the years we have entertained many thousands of children, helping them to put aside their troubles in the pursuit of having fun.

Regrettably, the 2010 party was our last. The party has been made possible over the years by the overwhelming generosity of our sponsors, our performers and our wonderful army of volunteers. As part of our ongoing review of our work, we have decided to focus our efforts in other areas that will have more direct benefit for children with cancer.

We are deeply indebted to everyone who has helped with the party over the years. We are sure that, like us, you will have fond memories of some very special days.

Fundraising highlights

None of the work described on the preceding pages would be possible without the many thousands of people who go to often quite extraordinary lengths to raise money to help children with cancer.

We are indebted to every single person who gives their money, time and energy to help us in our work.

Overseas challenges

Our overseas challenge events are making an ever-increasing contribution to our funds, raising £181,000 in 2010. During the year, over 100 people took part in challenges on our behalf, twice as many as in 2009.

Our 2010 challenges included climbing Mount Kilimanjaro and trekking to Everest Base Camp.

We have an exciting programme planned for 2011 including CAPITAL to CAPITAL, a new bespoke bike ride from London to Paris. We hope to continue to grow the income from these challenges.



Deloitte.



Partnership with Deloitte

At the end of 2009, we received the exciting news that Deloitte had chosen CHILDREN with CANCER UK as one of their three national charity partners for 2010 and 2011.

Deloitte has an inspirational commitment to the community and a superb corporate responsibility programme that is woven into many aspects of its work. Fundraising is done on several levels - every team has their own fundraising target and events are organised within these teams. In addition, there are a number of key events and activities that are supported across the company.

One of the highlights of 2010 was the Community Investment Challenge. 96 Deloitte partners and staff climbed Mount Kilimanjaro, raising a phenomenal £475,000 to be split between the three charity partners and a Tanzanian conservation project.

By the end of 2010, with one year of the partnership still to run, Deloitte had already raised £300,000 for our work.

These funds are supporting the national clinical trial for children with acute lymphoblastic leukaemia (ALL) - UK ALL 2011 - and the establishment of a national cell bank for childhood leukaemia.

In addition to the funds raised, Deloitte have been generous with their time, volunteering at events and providing valuable professional services.

Working with Deloitte has been an inspirational experience for us and the positive impact on the Charity has been immense. The commitment, enthusiasm and dedication of their staff is second to none and we are looking forward to continuing the partnership through 2011.

Fundraising highlights

The Marion Rose Ball

In November, we hosted The Marion Rose Ball at the Grosvenor House Hotel, London, in tribute to our founding trustee Marion O’Gorman, who sadly died in 2009.

Thanks to the hard work of the Ball Committee and the generosity of those who attended, The Marion Rose Ball raised over £420,000. Stars of stage and screen were there to support the Charity including Alan Carr, Carol Vorderman, Gavin Henson and Jeff Banks.

Our first CHILDREN with CANCER UK Ball will take place in November 2011.



Running

Running events continue to provide an important proportion of our income, contributing £2.6 million in 2010, 24 per cent of our total income.

The Virgin London Marathon is the most significant event in our fundraising calendar. A total of 1,154 runners pounded the streets of London on 25th April 2010 as part of our Mr Men and Little Miss running team, raising almost £2 million!

We recognise what an incredible feat it is for people to take part in this kind of event. It isn’t just the hours devoted to training, often through the cold, dark winter months, but also the challenge of raising such large sums of money.

We do all that we can to provide support and encouragement to our runners during the months of preparation. Our dedicated support on race day is second to none.



Our Mr Men and Little Miss running team raised almost £2 million in the Virgin London Marathon 2010.

Our famous friends

At CHILDREN with CANCER UK, we are very lucky to be supported by many celebrities.

Postal appeals

Famous friends have supported our fundraising appeals since we began in 1988.

In 2010, over £3.7 million was donated in response to our postal appeals featuring Robert Powell, Dame Judi Dench, Sir Bruce Forsyth, Kevin Whateley and Chris Tarrant.

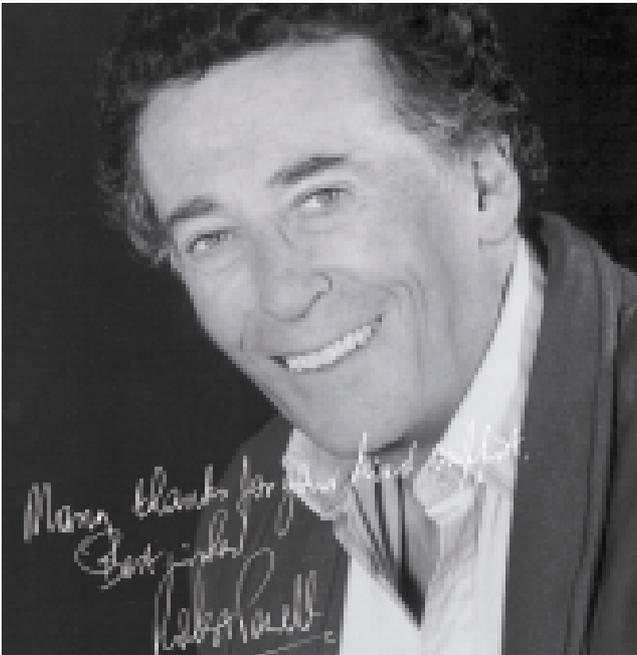
We are immensely grateful for their support in our fight against childhood leukaemia and other childhood cancers.

Tarrant's Quiz Party

'Who Wants To Be A Millionaire' host Chris Tarrant is a great friend to the Charity. He has hosted our annual Quiz Party since 2008 and continued to do so in 2010.

This Quiz Party raised over £116,000 in 2010, thanks to a terrific auction and wonderful generosity. Guests included Robert Powell; Max Clifford; cricketers Mike Gatting and Mike Denness; Arsenal legend Terry Neill; and writer and producer Tony McHale.

Thank you to the organising committee and everyone who donated on the night.





Chris Tarrant is a great friend to the Charity, supporting our postal appeals and hosting our annual Quiz Party.

Structure, governance and management

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (2005).

Governing documents

These accounts are for CHILDREN with CANCER UK and its subsidiary Helping Children with Cancer Limited.

CHILDREN with CANCER UK is a company limited by guarantee and operates under its Memorandum and Articles of Association dated 11th November 2003 as amended by special or written resolutions, dated 30th November 2004, 22nd December 2006 and 12th May 2007. On 14 May 2007 the reporting charity changed its name from CHILDREN with LEUKAEMIA UK to CHILDREN with CANCER UK. However, the charity continued to use the working name of CHILDREN with LEUKAEMIA until 11th May 2011. The company registration number is 4960054.

The Charity operates under its Trust Deed (dated 4th January 1988) and Variation of Trust Deed (dated 10th December 2003).

Objects

The objects as amended by written resolution of 12 May 2007 are shown below:

- i) To promote the relief of children and young people suffering with leukaemia or any other form of cancer (and allied disorders) and of their families;
- ii) To raise public awareness and knowledge in matters relating to leukaemia or any other form of cancer (and allied disorders) affecting children and young people; and
- iii) To promote research into the causes, alleviation, prevention, treatment and cure of leukaemia or any other form of cancer (and allied disorders) affecting children and young people and to publish the useful results of such research.

Public Benefit

The Trustees continue to give due regard to the public benefit provided by the Charity in relation to its charitable purpose as set out by the objectives above and have given due consideration to the relevant guidance issued by the Charity Commission. The Trustees will continue to ensure that the activities that promote the charitable objects above will be applied to provide public benefit.

Board of Trustees

The governing body of the reporting charity is the Board of Trustees, which has a current total of five members (seven members in 2009). The Trustees of the Charity also act as the Directors of the charitable company. The Board meets at least three times a year together with the Chief Executive and other senior management where appropriate.

Trustee appointment and induction

There were no new appointments to the Trustee Board in 2010 (2009: three). The selection of Trustees is made based on vacancies arising, sympathy with the objects of the Charity and the additional skills and experience that potential new Trustees are able to afford. Under the Articles of Association, Trustees are appointed by a majority vote of the members (who are all the current Trustees) by ordinary resolution.

Each new Trustee receives the Charity Commission publication 'The Essential Trustee: What you need to know' as well as the most recent published annual report. The Chief Executive offers an induction day to all Trustees which provides full information about the operations of the Charity.

Management

The Trustees exercise executive responsibility for the governance of the Charity and, through the Chairman, supervise the management of the Charity by the Chief Executive and the senior management team. The Chairman and Chief Executive also task the Board with decision-making on strategic management issues as appropriate.

It is the Trustees' policy to work with other relevant charities and during the course of 2010, the Charity worked closely with Leukaemia and Lymphoma Research, Great Ormond Street Hospital Children's Charity, CLIC Sargent, Venik Trust and Paul O'Gorman Lifeline.

Risk and internal control

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are 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 and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable; and
- the Charity complies with relevant laws and regulations.

As part of the Charity's risk management process the Trustees acknowledge their responsibility for the Charity's system of internal control and reviewing its effectiveness. It is also recognised by the Trustees that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

The Trustees, through their involvement with senior management, review the major risks that could affect their achievement of the Charity's objectives. These are discussed and evaluated in Trustee meetings in order to put actions in place to mitigate the impact of the risk. The Charity is soon to carry out a risk workshop with a view to updating its risk management procedures.

Our main risk is our susceptibility to changes in the economic and financial environment. Since we rely solely on discretionary donations from the public, adverse economic conditions can impact our ability to maximise fundraising. However, we have contingency plans and a stable reserve position in place to mitigate such risks.

Related Parties

An internal conflict of interest register is in place which is based on declaration of interests submissions completed by all Trustees and senior management. Trustee meeting policy is that, where Trustees have an interest in the matter under discussion, they will absent themselves from these discussions and decisions.

Reserves

The Trustees have adopted a reserves policy which they consider appropriate to ensure the continued ability of the Charity to meet its objectives. The Trustees have reviewed their reserves policy during the course of the year and agreed to continue to aim to find a balance between maximising charitable work and the need for preparation for contingencies. Consideration was given to assessing the risk, probability and likely impact on the Charity's ability to meet its financial obligations and reduce expenditure following any short-term decline in income.

The Charity has a very low ongoing cost base. The Trustees feel it is sufficient to maintain a minimum unrestricted reserve of six months of the annual total expenditure. This is a reserves balance of approximately £4m. Reserves at 31 December 2010, equal to the total of unrestricted funds excluding tangible fixed assets, amounted to £7.9m (2009: £4.5m) and therefore comfortably meet the policy requirement.

In April 2011, the Charity has launched its biggest ever single grants round with a total of £2m from our unrestricted reserves being earmarked to be awarded for credible research. This, in effect, reduces our free reserves to £5.9m with the remainder of reserves being used to provide cover for long-term programmes and insulation from the prevailing uncertain economic environment.

Investments

The Memorandum of Association allows the Charity to deposit or invest funds in any manner but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification.

The Charity recognises that it must have enough resources to carry out its present and future activities effectively. Therefore the Trustees have agreed to hold sufficient cash levels, invested mainly in instant access deposit, to meet fluctuating needs. It is felt that this amount of cash should be in line with the level of reserves.

Cash balances generally are increasing over time since more funds are being kept available to meet longer term grant commitments. The Trustees are keen to ensure that these funds are not exposed to any risk since this cash value has already been promised to grant holders.

Post balance sheet event

On 12th May 2011, we ceased to promote our working name of CHILDREN with LEUKAEMIA. We are now known by our reporting name of CHILDREN with CANCER UK.

Grant making policy

It is the Trustees' policy to maximise the proportion of its charitable output that is achieved through grant making.

- **Welfare grants**

There is no open application process for welfare grants and no welfare grants are given to individuals. The Trustees determine which organisations are to be supported.

- **Research grants**

An increasing proportion of the Charity's output is achieved through scientific and medical research. Capital funding for scientific institutions is now being decreased as a proportion of the Charity's total output in favour of revenue funding for research.

Project funding in these areas is directed in two ways:

1. Research into treatment

The Charity works in partnership with Leukaemia and Lymphoma Research Fund, Great Ormond Street Hospital Children's Charity, University College London, Cancer Research UK and other institutions giving grants in support of the parts of their programmes that are relevant to the Charity's objects.

2. Research into prevention and causes

The Charity advertises for project applications that are then subject to peer review and scrutiny by our panel of scientific advisors before the Trustees determine which projects to support.

It is also the Trustees' policy to support directly a number of long-term programmes of research at UK institutions in areas which are of wide ranging importance in relation to childhood cancer.

The Trustee's openly invite research applications and the criteria is displayed on our website as well as advertisements in scientific publications.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the surplus or deficit of the group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and ensuring their proper application in accordance with charitable company law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the directors of the company at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each director has taken all of the steps that he/she should have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board and signed on its behalf on 12th July 2011 by

Eddie O'Gorman
Chairman of Trustees

Structure, governance and management

CHILDREN with CANCER UK (previously known as CHILDREN with LEUKAEMIA) was set up in memory of Paul O’Gorman who died on 6 February 1987 and his sister Jean, who died on 3 November 1987. The Charity was inaugurated by Diana, Princess of Wales on 12 January 1988 at Mill Hill County High School where Paul had been a pupil.

Trustees

Trustees of CHILDREN with CANCER UK, who served during the year were:

Eddie O’Gorman (Chairman)
The Earl Cadogan DL
Professor Denis Henshaw (resigned 23rd February 2011)
Sandra Mileham
Linda Robson
Dr Ian Gibson
Rodney Seddon (resigned 31st May 2011)

Chief Executive

Caroline Blakely

Registered Charity Number

298405

Registered Company Number

4960054

Principal office

51 Great Ormond Street, London WC1N 3JQ

Solicitors

Bates Wells Braithwaite
2-6 Cannon Street, London EC4M 6YH

Auditors

Crowe Clark Whitehill LLP
St Bride’s House, 10 Salisbury Square, London EC4Y 8EH

Bankers

National Westminster Bank plc
30 North Audley Street, London W1A 4UQ

Contact details

CHILDREN with CANCER UK
51 Great Ormond Street, London WC1N 3JQ
Tel: 020 7404 0808
Fax: 020 7404 3666
Email: info@childrenwithcancer.org.uk
www.childrenwithcancer.org.uk

Celebrity Friends

Hugo Amaya-Torres (Chairman)
Russ Abbot • John Altman • Anthony Andrews
Debbie Arnold • Jane Asher • Colin Baker
Baroness Benjamin • David Berglas • Rodney Bewes
Christopher Biggins • Cilla Black • Brenda Blethyn
Patricia Brake • Sir Richard Branson • Johnny Briggs
Tim Brooke-Taylor • Faith Brown • June Brown
Frank Bruno • Max Bygraves • Sir Michael Caine
Brian Cant • Jasper Carrott • Frank Carson
George Cole • Graham Cole • Joan Collins
Phil Collins • Jess Conrad • John Conteh
Ronnie Corbett • Bernard Cribbins • Roger Daltrey
Paul Daniels • Jim Davidson • Dickie Davies
Sharron Davies • Roger de Courcey
Dame Judi Dench • Declan Donnelly • Jason Donovan
Glynn Edwards • Bruce Forsyth • Peter Gilmore
Haruhisa Handa • Ainsley Harriott • Barry Hearn
Bob Holness • Bob Hoskins • Jane How
Michael Howe • Sir Chris Hoy • Nerys Hughes
Gloria Hunniford • David Janson • Chris Jarvis
Sir David Jason • Gordon Kaye • Kevin Keegan
Diane Keen • Henry Kelly • Felicity Kendal
Sarah Kennedy • Eddie Kidd • Burt Kwouk
Bonnie Langford • Eddie Large • George Layton
Rosemary Leach • Rula Lenska • Lennox Lewis
Gary Lineker • Joanna Lumley • Linda Lusardi
Sandy Lyle • Sir Paul McCartney • Sir Trevor McDonald
Debbie McGee • Anthony McPartlin • Philip Madoc
Ruth Madoc • Ron Moody • Patrick Mower
Des O’Connor • Tom O’Connor • Bill Oddie
Richard O’Sullivan • Nick Owen • Nicholas Parsons
Su Pollard • Robert Powell • Pauline Quirke
Sir Steve Redgrave • Angharad Rees • Anneka Rice
Jonathan Ross • Tessa Sanderson • Gerald Scarfe
Phillip Schofield • Pat Sharp • Michaela Strachan
Eric Sykes • Chris Tarrant • Angela Thorne
Dennis Waterman • Kevin Whately • June Whitfield
Simon Williams • Gary Wilmot • Frank Windsor
Sir Terry Wogan • Paul Young

Independent Auditor's Report to the Members of CHILDREN with CANCER UK

We have audited the financial statements of CHILDREN with CANCER UK for the year ended 31 December 2010 as set out on pages 22 to 27. 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). This report is made solely to the charitable company and group'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2010 and of the group's 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 other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual 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:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company 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.



Pesh Framjee
Senior Statutory Auditor

Crowe Clark Whitehill LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

18th July 2011

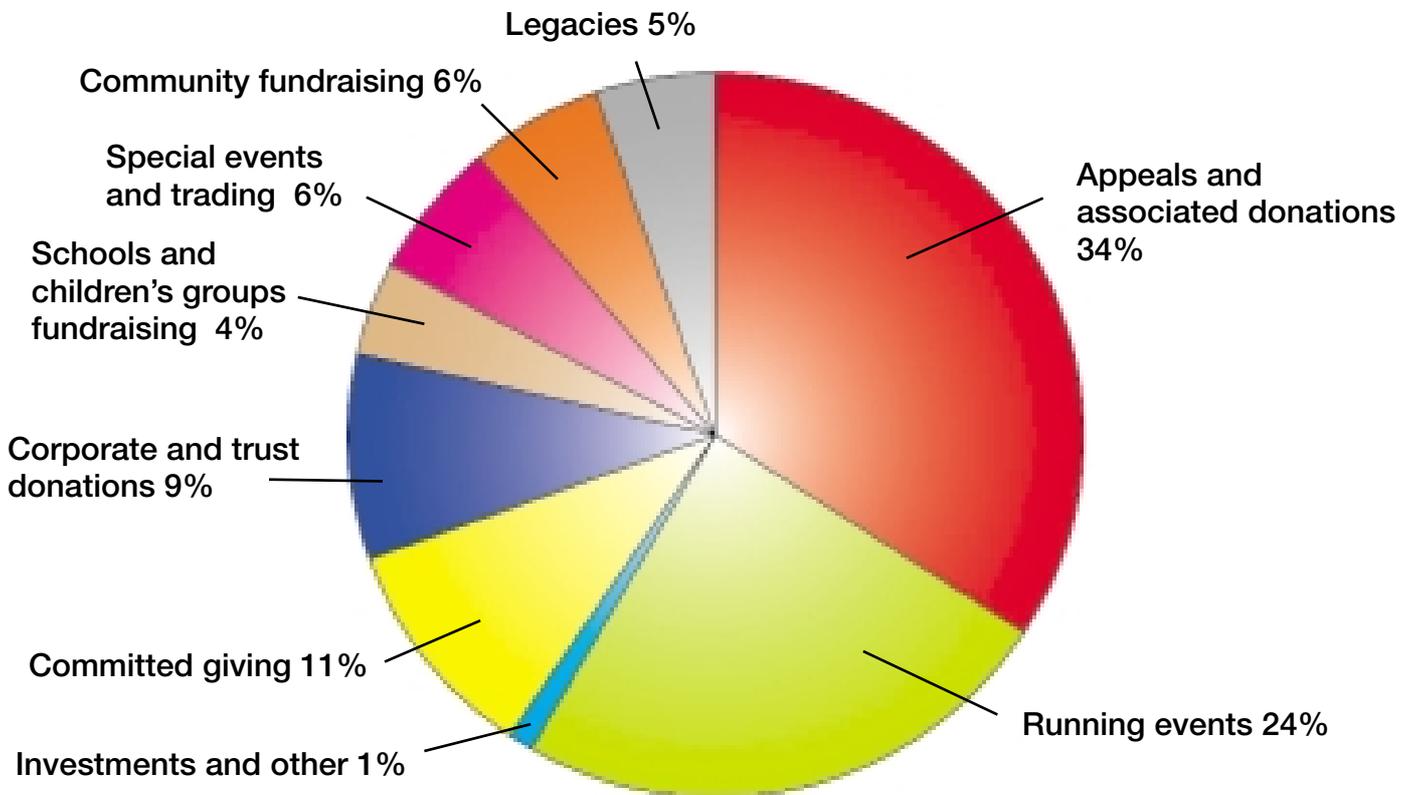
Financial information

Consolidated statement of financial activities for the year ended 31 December 2010 (incorporating income and expenditure account)

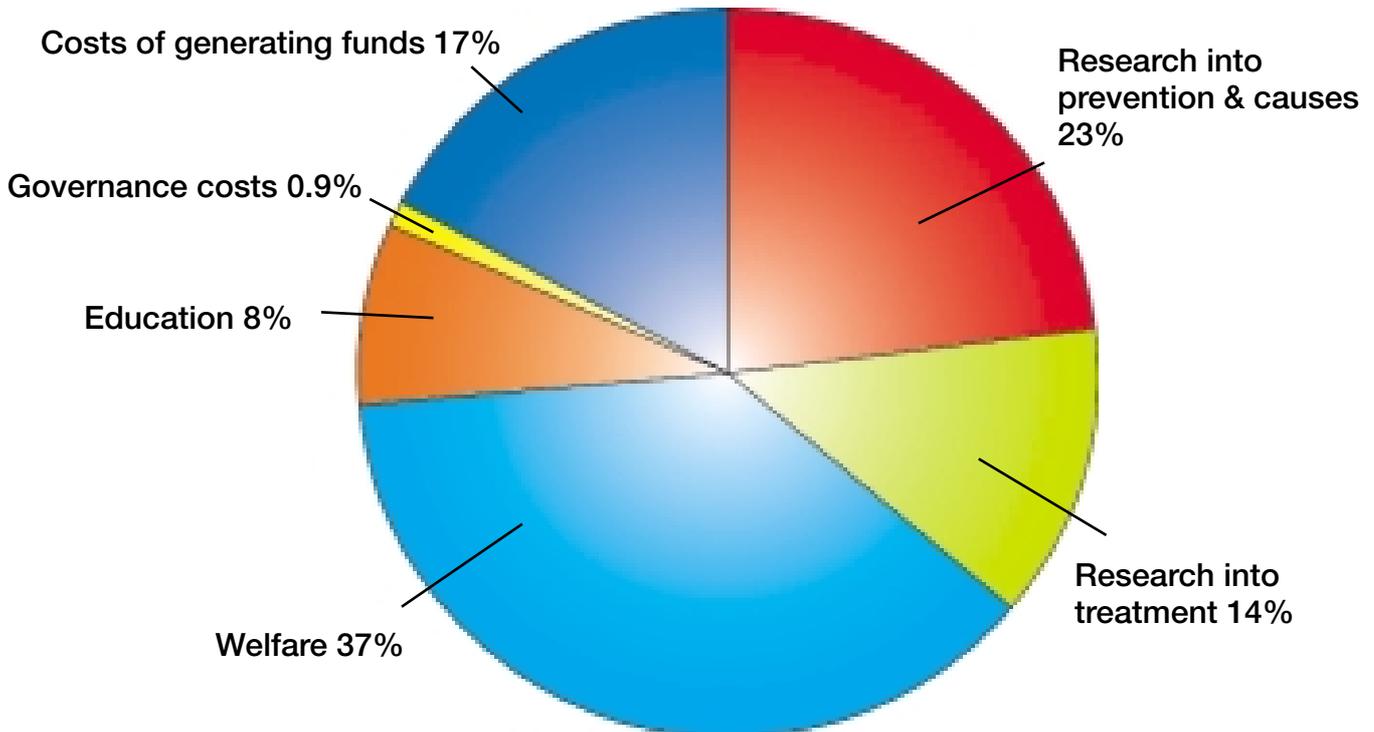
	Note	Total restricted funds £	Total unrestricted funds £	Total 2010 £	Total 2009 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Appeals and associated donations		3,552,341	222,732	3,775,073	3,803,831
Committed giving		-	1,169,038	1,169,038	1,119,4193
Schools and children's groups fundraising		-	475,029	475,029	261,825
Running Events		-	2,622,633	2,622,633	2,891,458
Community fundraising		250	642,142	642,392	559,204
Corporate and trust donations		508,445	543,084	1,051,529	888,886
Legacies		48,500	562,712	611,212	421,682
		<u>4,109,536</u>	<u>6,237,370</u>	<u>10,346,906</u>	<u>9,946,305</u>
Activities for generating funds					
Special events and trading		-	696,017	696,017	314,325
Investment income		-	101,597	101,597	73,255
Other incoming resources	10	-	-	-	105,447
Total incoming resources	13	<u>4,109,536</u>	<u>7,034,984</u>	<u>11,144,520</u>	<u>10,439,332</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		301,120	840,098	1,141,218	1,687,054
Costs of special events and trading		-	177,054	177,054	75,474
		<u>301,120</u>	<u>1,017,152</u>	<u>1,318,272</u>	<u>1,762,528</u>
Charitable activities					
Research into Prevention & Causes		1,188,491	624,740	1,813,231	2,013,590
Research into Treatment		952,656	82,349	1,035,005	2,234,691
Welfare		1,101,003	1,776,351	2,877,354	2,725,857
Education		9,006	639,625	648,631	525,226
Governance costs		-	69,783	69,783	61,254
Total resources expended	2,13	<u>3,552,276</u>	<u>4,210,000</u>	<u>7,762,276</u>	<u>9,323,146</u>
Net incoming resources before transfers		557,260	2,824,984	3,382,244	1,116,186
Gross transfers between funds	13	<u>(557,260)</u>	<u>557,260</u>	<u>-</u>	<u>-</u>
Net movement in funds		-	3,382,244	3,382,244	1,116,186
Funds at the start of the year		-	4,506,938	4,506,938	3,390,752
Funds at the end of the year	13	<u>-</u>	<u>7,889,182</u>	<u>7,889,182</u>	<u>4,506,938</u>

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.

Where the money came from



Where the money went



Financial information

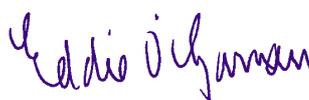
Balance sheet as at 31 December 2010

	Note	2010		2009	
		Group £	Charity £	Group £	Charity £
Fixed assets					
Investments	7	7,000,000	7,000,100	6,300,000	6,300,100
		<u>7,000,000</u>	<u>7,000,100</u>	<u>6,300,000</u>	<u>6,300,100</u>
Current assets					
Debtors and prepayments	9	1,726,096	1,745,623	1,712,301	1,720,565
Investments		4,150,000	4,150,000	2,375,000	2,375,000
Cash at bank and in hand		1,083,151	1,079,234	831,243	829,768
		<u>6,959,247</u>	<u>6,974,857</u>	<u>4,918,544</u>	<u>4,925,333</u>
Creditors: amounts falling due within one year					
Grants	10	(3,552,257)	(3,552,257)	(3,449,486)	(3,449,486)
Other	11	(293,290)	(309,000)	(363,652)	(370,541)
		<u>3,113,700</u>	<u>3,113,600</u>	<u>1,105,406</u>	<u>1,105,306</u>
Net current assets					
		<u>3,113,700</u>	<u>3,113,600</u>	<u>1,105,406</u>	<u>1,105,306</u>
Total assets less current liabilities		10,113,700	10,113,700	7,405,406	7,405,406
Creditors: amounts falling due after more than one year					
Grants	10	(2,224,518)	(2,224,518)	(2,898,468)	(2,898,468)
		<u>7,889,182</u>	<u>7,889,182</u>	<u>4,506,938</u>	<u>4,506,938</u>
Net assets					
		<u>7,889,182</u>	<u>7,889,182</u>	<u>4,506,938</u>	<u>4,506,938</u>
Represented by:					
Unrestricted funds	12, 13	<u>7,889,182</u>	<u>7,889,182</u>	<u>4,506,938</u>	<u>4,506,938</u>

The notes on pages 25 to 27 form part of the financial statements. Approved and authorised for issue on behalf of the Trustees on 12th July 2011.



The Earl Cadogan
Trustee



Eddie O'Gorman
Trustee

Consolidated cash flow statement for the year ended 31 December 2010

	Note	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	a)	2,625,311	(464,958)
Investment income		101,597	73,255
Capital expenditure and financial investments			
Disposal of tangible fixed assets		-	631,320
Purchase of investments		(700,000)	(1,500,000)
Cash (outflow)/inflow before management of liquid resources	b)	<u>2,026,908</u>	<u>(1,260,383)</u>
Management of liquid resources			
(Decrease)/increase in cash held as short term investments	b)	(1,775,000)	1,398,740
Increase in cash	b)	<u>251,908</u>	<u>138,357</u>

Notes to the Cash flow Statement

a) Reconciliation of changes in resources to net cash inflow from operating activities	2010 £	2009 £
Net incoming resources	3,382,245	1,116,186
Investment income	(101,597)	(73,255)
Depreciation charge for the year	-	7,000
Loss on disposal of tangible fixed assets	-	3,347
Increase in debtors	(13,795)	(331,286)
Decrease/increase in creditors	(641,541)	(1,186,950)
Net cash inflow/(outflow) from operating activities	<u>2,625,311</u>	<u>(464,958)</u>

b) Analysis of net funds	1 January 2010 £	Cashflow £	31 December 2010 £
Cash at bank and in hand	831,243	251,908	1,083,151
Cash held as short term investments	<u>2,375,000</u>	<u>1,775,000</u>	<u>4,150,000</u>
	<u>3,206,243</u>	<u>2,026,908</u>	<u>5,233,151</u>

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

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

(a) Accounting conventions

The financial statements are prepared in accordance with applicable accounting standards, the Companies Act 2006 and the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities, published in March 2005 in all material respects and are prepared under the historical cost convention.

(b) Group status and basis of consolidation

CHILDREN with CANCER UK is the ultimate parent company. It has one subsidiary: Helping Children with Cancer Ltd.

CHILDREN with CANCER UK owns the whole of the share capital of Helping Children with Cancer Limited, a company registered in England and Wales, number 2807553. The consolidated financial statements incorporate the results of CHILDREN with CANCER UK and Helping Children with Cancer Limited using the line by line basis.

(c) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds and are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund

(d) Incoming resources

Income is recognised in the period in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty.

In accordance with this policy, legacies are included when the Charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Voluntary income in the form of donations, proceeds of appeals and other fundraising activities are recognised upon receipt.

(e) Resources expended and basis of allocation of costs

All expenditure is accounted for on an accruals basis and the majority is directly attributable to specific activities. Other indirect costs are apportioned to activities in accordance with staff activity and an assessment of where the resources have been applied.

Grants to third parties are included in the SOFA when approved by the Trustees when a constructive obligation exists, notwithstanding that they may be paid in future accounting periods.

Support costs include the direct expenditure and overhead costs relating to the appeals and fundraising functions. They also include the allocation of costs incurred to support and co-ordinate fundraising activities. These costs are allocated across the categories of charitable expenditure and the basis of this cost allocation has been explained in note 4 of the financial statements. Governance costs are the costs incurred to manage the Charity in compliance with constitutional and statutory requirements.

(f) Taxation

CHILDREN with CANCER UK, as a registered charity, is exempt from taxation of income falling within Section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that this is applied to its charitable objectives. No tax charge has arisen in the year.

(g) Tangible fixed assets

Tangible fixed assets costing more than £10,000 are capitalised and included at cost including any incidental costs of acquisition, or, where donated, are included at valuation at the date that ownership is acquired.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	4% straight line
Fixtures and fittings	15% straight line

(h) Pension scheme

Permanent employees are entitled to join the Grouped Stakeholder Pension Plan provided by Bank of Scotland which was established on 14 September 2001. In 2010, the Charity made a contribution of 12% of salary per month to any personal or stakeholder pension scheme selected by all employees serving for more than three months who elected to take advantage of this benefit. The amount charged to the statement of financial activities in respect of pension costs is the contribution payable during the year.

(i) Going Concern

After making enquires, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 19.

(j) Investments

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year.

(k) Transactions in foreign currencies

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the Statement of Financial Activities.

2. Total resources expended

	Research into Prevention & Causes	Research into Treatment	Welfare	Education	Governance	Cost of generating voluntary income	Costs of special events and trading	2010 Total	2009 Total
	£	£	£	£	£	£	£	£	£
Staff costs	112,647	106,060	243,181	233,324	33,957	237,108	27,850	994,127	789,046
Direct charitable spend	1,700,584	928,945	2,634,173	415,307	-	-	-	5,679,009	6,961,026
Printing, postage & stationery	-	-	-	-	-	258,941	25,957	284,898	712,078
Function and venue costs	-	-	-	-	-	600,625	123,247	723,872	792,591
Other expenditure	-	-	-	-	-	44,544	-	44,544	33,844
Audit fee	-	-	-	-	27,000	-	-	27,000	26,000
Other office costs	-	-	-	-	8,826	-	-	8,826	8,561
	1,813,231	1,035,005	2,877,354	648,631	69,783	1,141,218	177,054	7,762,276	9,323,146

3. Support costs

Support costs are allocated to the activities as follows:

	Research into Prevention & Causes	Research into Treatment	Welfare	Education	Governance	Cost of generating voluntary income	2010 Total	2009 Total
	£	£	£	£	£	£	£	£
Central services	19,598	19,000	42,582	35,600	2,988	49,289	169,057	110,859
Operational management	5,681	6,500	11,449	11,471	32,618	1,127	68,846	111,450
	25,279	25,500	54,031	47,071	35,606	50,416	237,903	222,309

Central office overheads are allocated on a per person basis to staff in the office. The time spent by each staff member on every activity of the Charity is allocated on a month by month basis throughout the year. Overheads and staff costs are then allocated to the various charitable activities based on this staff time basis.

4. Costs of charitable activities

	Activities undertaken directly	Grant funding of activities	Support costs	2010 Total	2009 Total
	£	£	£	£	£
Research into Prevention & Causes	1,142,165	645,787	25,279	1,813,231	2,013,590
Research into Treatment	889,505	120,000	25,500	1,035,005	2,234,691
Welfare	1,649,590	1,173,733	54,031	2,877,354	2,725,857
Education	601,560	-	47,071	648,631	525,226
	4,282,820	1,939,520	151,881	6,374,221	7,499,364

5. Results of the parent charity

	2010	2009
	£	£
Total incoming resources	11,126,799	10,435,095
Total resources expended	(7,744,555)	(9,318,910)
Net movement in funds	3,382,244	1,116,185

Financial information

6. Tangible fixed assets

	Freehold land and buildings 2010	Freehold land and buildings 2009
Valuation	£	£
Balance at 1 January 2010	-	700,000
Disposals	-	(700,000)
Balance at 31 December 2009	-	-
Accumulated depreciation	-	-
Balance at 1 January 2010	-	58,333
Charge for year	-	7,000
Disposals	-	(65,333)
Balance at 31 December 2009	-	-
Net book value	-	-
At 1 January 2010	-	641,667
At 31 December 2010	-	-

7. Investments

During 2010, the Charity reclassified part of the current assets investment balance as fixed asset investments. £6,000,000 (2009: £6,300,000) has been reclassified because it was felt that this better reflected the purpose of holding this cash. A further £1,000,000 is held by our investment managers for investment into fixed interest bearing bonds.

	2010 £	2009 £
Market value of investments at 1 Jan	6,300,000	4,500,000
Additions	704,000	1,800,000
Unrealised Loss	(4,000)	-
Market value of investments at 31 Dec	7,000,000	6,300,000

Investments comprise the following:

	2010 £	2009 £
Cash Deposit Funds	6,000,000	6,300,000
Fixed Interest Bonds	130,000	-
Cash for Reinvestment	870,000	-
Total investments at 31 Dec	7,000,000	6,300,000

Investment in subsidiary

CHILDREN with CANCER UK holds 100% of the share capital of Helping Children with Cancer Limited. The value of the share capital owned is £100. Helping Children with Cancer Limited raises funds via commercial activities and sponsorship. Any taxable profits made by Helping Children with Cancer UK are donated to CHILDREN with CANCER UK under Gift Aid.

The income and expenditure for the year ended 31 December 2010 is as follows:

	2010 £	2009 £
Income	34,912	26,252
Cost of sales	(9,857)	(590)
Administrative expenses	(16,900)	(12,786)
Profit on ordinary activities before gift aid and taxation	8,155	12,876

The balance sheets for the subsidiary as at 31 December 2010 are as follows:

	2010 £	2009 £
Assets	45,877	36,899
Liabilities	(45,777)	(36,799)
Unrestricted Funds	100	100

8. Trustees' emoluments

The Trustees received no remuneration or expenses during the year (2009 Nil).

9. Debtors

	2010 Group	2010 Charity	2009 Group	2009 Charity
	£	£	£	£
Trade debtors	25,369	20,741	66,304	59,349
Amounts due from subsidiary undertakings	-	41,462	-	32,083
Other debtors	411,059	411,654	704,580	705,653
Accrued income	154,760	136,859	17,937	-
Prepayments	1,134,908	1,134,908	923,480	923,480
	1,726,096	1,745,623	1,712,301	1,720,565

10. Grants to third parties

	2010 £	2009 £
Outstanding liabilities at the start of the year	6,347,954	7,407,612
Research into prevention and causes	702,818	1,148,120
Research into treatment	120,000	1,061,405
Welfare	1,173,733	1,020,000
	1,996,551	3,229,525
Under-spends on previous grant awards	(57,031)	(2,127)
Paid during the year	(2,554,381)	(4,174,576)
Foreign exchange loss/(gain)	43,682	(112,480)
Outstanding liabilities at the end of the year	5,776,775	6,347,954
Grants falling due within one year	3,552,257	3,449,486
Grants falling due after more than one year	2,224,518	2,898,468
	5,776,775	6,347,954

The foreign exchange loss/(gain) arises on the restatement of grant creditors payable in a foreign currency. A number of these grants are payable after more than one year and the actual amount that will be paid will be dependent on the exchange rate at that time.

In 2010, the restatement of the foreign grant creditors resulted in an unrealised foreign exchange loss of £43,682. However, in 2009 there was an unrealised foreign exchange gain of £112,480 on

the restatement of the foreign grant creditor along with a foreign exchange loss of £10,782 on the restatement of foreign bank balances.

11. Creditors: amounts falling due within one year

	2010 Group	2010 Charity	2009 Group	2009 Charity
	£	£	£	£
Trade creditors	-	-	389	389
Amounts due to subsidiary undertakings	-	19,430	-	10,532
Taxes and social security	34,155	34,155	20,393	20,393
Accruals and deferred income	259,135	255,415	342,870	339,227
	293,290	309,000	363,652	370,541
Grants	3,552,257	3,552,257	3,449,486	3,449,486
	3,845,547	3,861,257	3,813,138	3,820,027

12. Analysis of net assets between funds

	2010 Group	2010 Group	2010 Group	2009 Group
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed assets	7,000,000	-	7,000,000	6,300,000
Net current assets	3,113,700	-	3,113,700	1,105,406
Creditors falling due after more than one year	(2,224,518)	-	(2,224,518)	(2,898,468)
Net assets at the end of the year	7,889,182	-	7,889,182	4,506,938

13. Statement of funds

	At the start of the year	Incoming resources	Outgoing resources	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds					
Leukaemia (see note below)	-	3,552,276	(3,552,276)	-	-
Dr Nick Goulden and Dr Chris Mitchell - UK ALL 2010	-	242,945	-	(242,945)	-
Leukaemia & Lymphoma Research - MRD study	-	200,000	-	(200,000)	-
Professor Chris Boshoff, UCL - childhood cancer research programme	-	65,000	-	(65,000)	-
Dr Persis Amrolia, UCL Institute of Child Health - immunotherapy project	-	48,500	-	(48,500)	-
Dr Malcolm Taylor, University of Manchester - pilot validation study for development of vaccine	-	815	-	(815)	-
	-	4,109,536	(3,552,276)	(557,260)	-
Unrestricted funds	4,506,938	7,034,984	(4,210,000)	557,260	7,889,182
Total funds	4,506,938	11,144,520	(7,762,276)	-	7,889,182

Note

The restricted funds comprise donations that were to be spent on specific causes and projects and these were all discharged during 2010.

The £3,552,276 received during the year relates to donations received specifically to be spent in the pursuit of our charitable objects in relation to Leukaemia only (as opposed to other forms of cancers or allied disorders). The remainder of the incoming resources that were restricted during the year relate to funds received towards grants that were previously paid out of unrestricted resources. Therefore, a total of £557,260 has been transferred from restricted back to unrestricted funds.

14. Staff costs

	2010 £	2009 £
Salaries and wages	811,055	645,535
National Insurance	86,241	66,721
Pension	96,830	76,791
	994,127	789,047

During the year, one employee had emoluments between £80,000 and £90,000 and one employee had emoluments between £60,000 and £70,000 (2009: one employee had emoluments between £70,000 and £80,000 and one employee had emoluments between £60,000 and £70,000). Emoluments refer to gross salary and pension contributions made during the year. The average weekly number of employees during the year, as calculated on a full time equivalent basis, was as follows:

	2010	2009
Charitable Activities	2	4
Generating Funds	18	15
Governance	4	2
	24	21

All employees contributed to fundraising campaigns, projects and programmes and the management and administration of the Charity.

15. Related parties

Lord Cadogan, a Trustee, is Chairman of the Board of Trustees for Leukaemia and Lymphoma Research (LLR) (216032). The Charity gave grants amounting to a total of £1,000,500 via LLR in 2009 (nil in 2010). Lord Cadogan did not take part in discussions concerning the decision to make these grants.

Professor Denis Henshaw, a former Trustee, was awarded grants totalling £32,883 in 2010 and £348,152 in 2009, payable to his institution (University of Bristol) over the years 2010 to 2011. As at 31 December 2010, a total of £179,196 is owed to them and due to be paid in 2011.

Rodney Seddon, a former Trustee, is also a Trustee of the Venik Trust (charity number 1063185) and Paul O'Gorman Lifeline (charity number 1108060). The Venik Trust has donated £200,000 during the year and Paul O'Gorman Lifeline has received a grant totalling £750,000. Rodney Seddon did not take part in discussions concerning the decision to make this grant.

Financial information

16. Grants to third parties

	Research into Prevention & Causes 2010 £	Research into Treatment 2010 £	Welfare 2010 £	Education 2010 £	Total 2009 £
Paul O'Gorman Lifeline. To fund the treatment of children with leukaemia and other cancers from eastern Europe.			750,000		750,000
Professor Tariq Enver, UCL Cancer Institute. Infrastructure support to underpin research into the biology of normal and leukaemic stem and progenitor cells (three years from 2010).	330,000				
CLIC Sargent. Paul's Fund: to provide financial assistance to the families of children being treated for leukaemia and other cancers.			200,000		200,000
Dr Pamela Keams, University of Birmingham. Infrastructure support to establish Children's Oncology and Leukaemia Trials at the University of Birmingham's CRUK Clinical Trials Unit.		120,000			
Dr Michael Murphy and Dr Gerald Draper, Childhood Cancer Research Group, University of Oxford. Project grant: Non-ocular cancers associated with retinoblastoma.	168,039				
Marie Curie Cancer Care. To fund a research associate in end of life care at Great Ormond Street Hospital (two years from 2011).			85,733		
Dr Malcolm Taylor, University of Manchester. Project grant: Preparation and testing of a recombinant BCG vaccine for childhood ALL expressing the TEL-AML1 (ETV6-RUNX1) oncoprotein.	81,270				
CHASE Hospice Care. To support the cost of services provided to children with leukaemia and other cancers.			60,000		60,000
Dr Michael Murphy, University of Oxford. Extension of funding for post of Registry Assistant at the National Registry of Childhood Tumours.	52,890				
Lifelites. To support the provision of IT equipment to children's hospices.			48,000		
Professor Patricia Buffler, University of California, Berkeley. Childhood Leukemia International Consortium (CLIC) - to fund annual meetings in 2010, 2011 and 2012. **	37,736				
Professor Denis Henshaw, University of Bristol. Adjustment to programme grant awarded in 2008 (environmental causes of childhood leukaemia)	32,883				
Keech Hospice. To support the cost of services provided to children with leukaemia and other cancers.			20,000		
Leukaemia CARE. To support the costs of running Care Line.			10,000		10,000
Dr Robert Mairs, University of Glasgow. Underspend on 2006 grant, reversed in 2010.	(25,432)				
Professor Mel Greaves, Institute of Cancer Research. Underspend on 2006 grant, reversed in 2010.	(20,817)				
Dr Samuel Milham. Underspend on 2005 grant, reversed in 2010.	(7,997)				
Dr Anand Chokkalingam, University of California, Berkeley. Underspend on 2006 grant, reversed in 2010. **	(2,660)				
Dr Leeka Kheifets, University of California, Los Angeles. Underspend on 2005 grant, reversed in 2010. **	(67)				
Dr Steve Selvin, University of California, Berkeley. Underspend on 2006 grant, reversed in 2010. **	(58)				
Dr Nick Goulden & Dr Chris Mitchell. Programme grant: UK ALL 2010. *					750,000
Professor Denis Henshaw, University of Bristol. Project grant: Inhaled particle deposition in the human lung - dependence on their electric charge state.					348,152
Professor Jill Birch, University of Manchester. Project grant: International study of non-CNS embryonal tumours - UK pilot.					324,539
Dr Malcolm Taylor, University of Manchester. Project grant: Systematic analysis of MHC-restricted antigen-specific T cell responses in children with leukaemia using T cell microarrays - a pilot validation study.					314,697
Leukaemia and Lymphoma Research. Project grant: ALL cell bank. *					250,500
Professor Stephen Rappaport, University of California, Berkeley. Project grant: Pilot study to measure quinone adducts in newborn blood spots. **					73,957
Professor Rob Mairs, University of Glasgow. Equipment grant: for purchase of ELF-EMF exposure system.					70,500
Dr Anjali Shah, Childhood Cancer Research Group, University of Oxford. Project grant: The impact of predictors of co-morbidity and treatment intensity on survival from leukaemia and other childhood cancers in England and Wales.					51,905
Dr Malcolm Taylor, University of Manchester. Top-up funding for project grant: The role of HLA genes in protection from childhood leukaemia.					11,275
Dr Craig Donaldson, University of the West of England. Top-up funding for project grant: Comparison of phenotype and function of cord blood NKT cells with adult NKT cells in vitro: relevance to graft vs leukaemia.					9,000
Professor Eric Wright, University of Dundee Medical School. Top-up funding for project grant: Investigations of microenvironmentally-mediated damage as a promotional factor in childhood leukaemia.					3,779
Dr Lyndal Kearney, Institute of Cancer Research, London. Top-up funding for project grant: Defining the role of JAK2 mutations in the natural history and molecular pathogenesis of 'excess risk' ALL in children with Down syndrome.					1,221
Professor Pat Buffler, University of California, Berkeley. Underspend on 2005 grants, reversed in 2009. **					(1,538)
Dr Owen Williams, Institute of Child Health. Underspend on 2003 grant, reversed in 2009.					(320)
Dr Gordon Strathdee, University of Newcastle upon Tyne. Underspend on 2006 grant, reversed in 2009.					(269)
Total grants to third parties	645,787	120,000	1,173,733	-	3,227,398
Spend on campaigns, projects and programmes (excluding grants)	1,167,444	915,005	1,703,621	648,631	
Total resources expended on charitable activities	1,813,231	1,035,005	2,877,354	648,631	

*Grant administered by Leukaemia and Lymphoma Research (registered charity no. 216032)

** Grant administered by the Regents of the University of California

Thank you

None of the work described in the pages of this report would have been possible without the generosity and support of the many individuals and organisations that have devoted their time, energy and money to help us in the fight against childhood cancer.

We are humbled by the bravery and generosity of the many families who have shared with us their first-hand experiences of childhood cancer; you are an inspiration to us all and we wish you every possible happiness for the future.

Regrettably, space does not permit us to mention everyone who has worked with us during the year but we extend an enormous thank you to every single person who so kindly contributed to our work in 2010, by whatever means. This includes:

- The volunteers and committees who have devoted themselves to our special events;
- The many hundreds of volunteers who helped make our Amazing Great Children's Party such an enormous success;
- The thousands of Mr Men and Little Miss runners who went to such great lengths, literally, to raise funds for our work;
- The volunteers who have supported our runners at races the length and breadth of the country;
- The thousands of children who have taken part in our Children's Challenges, as well as the teachers and group leaders who have organised the challenges locally;
- All of our corporate and trust supporters, especially our friends at Deloitte;
- All those who have worked with us on our campaign to highlight the dangers of exposure to high levels of electric and magnetic fields, including supporters in the House of Commons and the House of Lords;
- Our scientific advisors including the many external reviewers who have helped by assessing funding proposals for us during the year;
- Our celebrity friends who have supported our work in many and varied ways;
- The volunteers who provide such valuable support to our staff team in the office;
- Our dedicated staff team – their commitment and enthusiasm helps to drive forward all areas of our work.

To all our much valued supporters, we send our heartfelt thanks and warmest wishes.

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