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Research facilities

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Research projects

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Welfare projects

1 Dr Rob Mairs, University of Glasgow. Determination of the mutagenicity in murine haemopoietic progenitors of extremely low frequency electromagnetic fields and ionising radiation using microsatellite analysis.

2 Paul O’Gorman Leukaemia Research Centre, University of Glasgow.

3 Minimal residual disease study, Royal Hospital for Sick Children, Glasgow.

4 Young Oncology Unit, Christie Hospital, Manchester.

5 Paul O’Gorman Blood Laboratory, Wolfson Molecular Imaging Centre, University of Manchester.

6 Paul O’Gorman Molecular Diagnostic Laboratory, The Paterson Institute, Christie Hospital, Manchester.

7 DNA sequencer, Cancer Immunogenetics Laboratory, University of Manchester.

8 Dr Malcolm Taylor, University of Manchester. The role of HLA genes in protection from childhood leukaemia.

9 Dr Ketel Patel, MRC Laboratory of Molecular Biology, Cambridge. Identification and characterisation of novel genes that function in the Fanconi anaemia tumour suppressor pathway.

10 Alasdair Philips, Cambridge. An exploration of the possible causes of childhood leukaemia and other cancers.

11 Paul O’Gorman Laboratory, Coghill Research Laboratories, Gwent.

12 Paul O’Gorman Building, Bristol Royal Hospital for Children.

13 Professor Denis Henshaw, Human Radiation Effects Group, University of Bristol. Programme funding – studies into environmental risk factors for childhood leukaemia.

14 Minimal residual disease study, University of Bristol.

15 Dr Craig Donaldson, University of the West of England. A study of human NKT cells in stem cell transplant recipients.

16 CHASE Hospice, Surrey. To support the provision of services for children with leukaemia.

17 Sussex Snowdrop Trust. To support the provision of services for children with leukaemia.

18 Paul O’Gorman Respite Centre, Angmering on Sea.

19 Professor Eric Wright, University of Dundee Medical School. Investigations of microenvironmentally-mediated damage as a promotional factor in childhood leukaemia.

20 Northern Institute of Cancer Research, Paul O’Gorman Building, University of Newcastle upon Tyne.

21 Dr Tevfik Dorak, University of Newcastle upon Tyne. Genes influencing body iron content and childhood leukaemia risk.

22 Professor Andrew Hall, University of Newcastle upon Tyne. Drug resistance in children with acute lymphoblastic leukaemia

23 Dr Gordon Strathdee, University of Newcastle upon Tyne. Functional relevance of loss of HOX gene expression in childhood leukaemia.

24 Dr Richard Feltbower, University of Leeds. Does population mixing measure infectious exposure at the community level?

25 Minimal residual disease study, Sheffield Children’s Hospital.

26 Paul O’Gorman Patient Hotel, Great Ormond Street Hospital for Children, London.

27 Paul O’Gorman Leukaemia Research Centre, Institute of Child Health, London.

28 Institute of Cancer Sciences, Paul O’Gorman Building, University College London.

29 Expansion of Haematology and Oncology Services, Great Ormond Street Hospital, London.

30 Laboratory of Cellular Therapeutics, Paul O’Gorman Childhood Leukaemia Centre, Royal Free Hospital, London.

31 Dr Hugh Brady. Paul O’Gorman Leukaemia Research Centre, Institute of Child Health, London. The role of MLL in the molecular pathogenesis of infant and childhood leukaemia.

32 Minimal residual disease study, Hammersmith Hospital, London.

33 Paul’s House, University College London Hospital (due to open 2008).

34 Professor Mel Greaves, Institute of Cancer Research, London. Collateral DNA damage as an indicator of prior aetiological exposures in infant leukaemia.

35 Dr Mike Murphy, Childhood Cancer Research Group, University of Oxford. Programme funding - studies into risk factors for childhood leukaemia.

36 Dr Mark Lowdell, Paul O’Gorman Laboratory of Cellular Therapeutics, Royal Free Hospital. Project funding. TaNK project.



# Annual Report & Accounts 2006

CHILDREN with LEUKAEMIA around Britain





Leukaemia is a cancer of the blood. It is the most common childhood cancer, affecting around 500 children a year in the UK. Children under five account for more than half of these cases.

When a child has leukaemia, normal control mechanisms in their blood break down and their bone marrow starts to produce large numbers of abnormal white blood cells, disrupting production of normal blood cells and affecting the vital functions that blood cells carry out.

Without effective treatment, leukaemia is rapidly fatal in children. Until the introduction of combination therapies in the 1960s most children died within weeks of diagnosis. Thankfully, continued investment into the development of effective treatments has paid off - today four out of five children survive.

However we still have much to do. Over the same period in which the number of children being killed by leukaemia has been decreasing, the number of children being diagnosed with the disease has been steadily increasing. Not only must we continue to fund vital research into the development of improved treatments, we must also find out more about the causes of this devastating disease if we are to protect future generations of children.

Front cover photographs

1. Paul O’Gorman’s first school photograph
2. Diana, Princess of Wales inaugurates the charity on 12th January 1988 at Mill Hill County High School, where Paul had been a pupil
3. Jean O’Gorman’s first school photograph
4. Marion and Eddie O’Gorman and daughter Sandra at the naming of the Paul O’Gorman Building at Great Ormond Street Children’s Hospital on 7th April 2006, which would have been Paul’s 34th birthday.

The remaining photographs, with descriptions, can be found within the body of this report.

**Paul O’Gorman was 14 years old when he was diagnosed with leukaemia. He died just nine weeks later – in February 1987.**

Paul had made his parents, Eddie and Marion O’Gorman, promise to help other children with leukaemia and in November 1987 they held their first fundraising ball.

Their most dedicated fundraiser, Paul’s sister Jean, insisted on attending even though she herself was critically ill with cancer and was to die only two days later.

Shortly after Jean’s death, Eddie and Marion met Diana, Princess of Wales. Deeply touched by their double tragedy, she personally helped start this charity, which she inaugurated in January 1988.

What began as a small memorial charity is now Britain’s leading charity dedicated to the conquest of childhood leukaemia, through pioneering research, new treatment and support of leukaemic children and their families. The indomitable spirit of Paul and Jean continues to inspire our work.

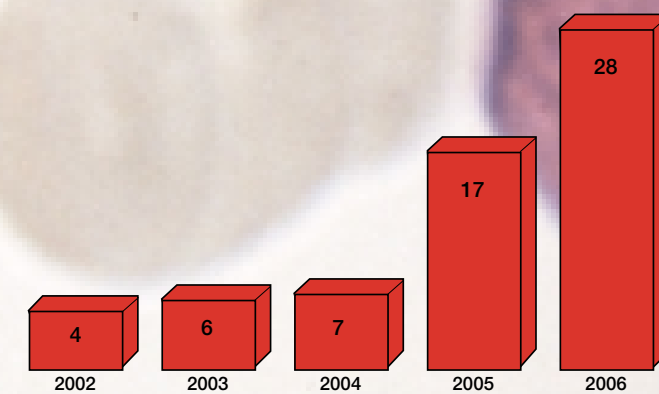
Much of our early work was to support the development of new research facilities around the UK. Our very first project was to raise £2 million for a new leukaemia research centre at Great Ormond

Street Hospital. It took us seven years to achieve this goal, but the Paul O’Gorman Childhood Leukaemia Research Centre now houses one of the UK’s leading research teams in the field.

There are now Paul O’Gorman Research Centres around the UK – including centres in Manchester, Newcastle and Glasgow and two further centres in London.

In recent years we have sought to maximise the amount of funding available for scientific research. Following our international scientific conference in 2004 we launched a grants round for research into the causes of the disease. The first grants were made in 2005, and the grants round was repeated in 2006. The number of projects underway increased four-fold between 2004 and 2006, with 28 research initiatives underway by the end of 2006.

**CHILDREN with LEUKAEMIA - funded research projects underway**



We have also contributed funding towards the development of welfare facilities – including projects at Great Ormond Street Hospital, University College London Hospital, the Christie Hospital in Manchester and Bristol Royal Hospital for Children – which aim to ease the journey through treatment for children and their families.







One of the most troubling challenges facing us today is the increasing incidence of childhood leukaemia. Research published in 2006 shows that incidence increased by 1.4% a year between the 1970s and the 1990s. This equates to a fifty per cent increase in thirty years.

Although great strides have been made in the treatment of childhood leukaemia in recent decades, we have been unable to address the rising incidence because we still know relatively little about the causes of this devastating disease. It is apparent that something about our modern lifestyle must be increasing the risk of our children developing leukaemia. We therefore place great importance on investigating the causes of the disease, to find out why it is becoming more common and establish whether prevention is a possibility.

In 2006 we ran our second grants round devoted to research into the causes and prevention of childhood leukaemia. With the help of dozens of external reviewers, our expert grants panel scrutinised the applications received and selected eight projects investigating different aspects of causation and prevention. The total cost of these promising new projects is £865,124.

**Dr Malcolm Taylor of the University of Manchester** is leading one of these new projects. He was awarded a grant of £121,395 to explore ways of exploiting a child's natural immune defences to eliminate leukaemia in its early stages, before it becomes full blown and requires treatment.

Every child has white blood cells that normally help to fight infections. We can protect a child from certain infections by using vaccines. The immune system recognises the molecules in the vaccine (a modified, harmless version of the infection) as foreign, destroys them and 'remembers' them. If the child is later exposed to the infection, their white blood cells immediately recognise and destroy it. This is how polio and several other childhood infections have been almost completely eradicated.

*"We have found that some children have immune systems that naturally protect them from leukaemia," explains Dr Taylor. "These children have a certain type of HLA molecule on their white blood cells. HLA molecules determine our ability to recognise foreign molecules, such as infections and cancer and they differ from person to person. The children that have this particular type of HLA molecule are less likely to develop leukaemia, suggesting that this molecule triggers an immune response to leukaemia at an early stage to stop it developing into full blown cancer."*

Dr Taylor has carried out laboratory studies showing that these white blood cells can be made to destroy leukaemia cells and he believes that it is possible to make a vaccine that can destroy them before full-blown leukaemia develops. His project represents the first step towards achieving this goal.

## Phil and Mike on a bike

CHILDREN with LEUKAEMIA is a nominated charity of Royal Bank of Scotland Insurance and RBS staff have supported us in many and varied ways over the years.

In 2006 RBS employees Phil Travis and Mike O'Carroll went to great lengths to show their support by setting out on a tandem bicycle to ride the 930 miles from John O'Groats to Land's End. Saddle-sore and exhausted they rode in to Land's End eight days later, having raised a staggering £50,000 towards our work.

Phil and Mike, who work together in the RBS Assistance Accident Repair Centre in Middlewich, decided to use these hard-earned funds to help purchase a vital piece of research equipment - a DNA sequencer - to help Dr Taylor make best progress in his research. The intrepid duo went to visit Dr Taylor to see first hand the work he is carrying out. They commented:

*"People don't see this aspect of the work that goes into this part of cancer treatment and it's a shame really. Perhaps unsung heroes would be the correct turn of phrase."*



Phil and Mike (centre) celebrate reaching Land's End with their two support riders.



Dr Malcolm Taylor, pictured with the DNA sequencer purchased for his lab with the help of Phil and Mike.

*"I am hoping that the result of my work will be the development of a vaccine that enables a child's immune system to recognise and destroy the cells that may develop into leukaemia. If we can use this to prevent children from ever developing leukaemia, this will save all of the pain and suffering. I'm sure that you will agree that we will have achieved something quite amazing."*





In addition to the eight new projects funded through our 2006 grant round, we also took on a new programme of work by the world-renowned Childhood Cancer Research Group (CCRG) at the University of Oxford. This is the group that produced the 2005 Draper Report which demonstrated an increased risk of leukaemia in children living within 600 metres of high voltage overhead power lines.

We have committed £629,796 to this five-year programme of work. The team will be taking forward the results of the Draper Report to find out more about the association between electric and magnetic fields (EMF) and childhood leukaemia. They will also be looking into the proven link between high birth weight and the development of childhood leukaemia to find out more about the possible mechanisms underlying this intriguing association.

Dr Mike Murphy, the Director of the CCRG, explains the aims of the programme:



*"Few patterns in the occurrence of childhood*

*leukaemia are universally agreed, and there are therefore few clues to go on.*

*"However, many would agree that the increase in occurrence of some kinds of childhood leukaemia in many countries in the second half of the last century is at least partly real and is wholly disturbing. The science of epidemiology seeks*

*particularly to disclose patterns of occurrence in populations to shed light on causes.*

*"Three areas of investigation in childhood leukaemia remain of particular interest, partly because sufficient earlier work has suggested that they are promising lines of enquiry (though doubt remains) and partly because they are feasible hypotheses for us to test.*

*"These areas are the role, if any, of electric and magnetic fields, of being born big (higher birth weight) and of contact with infection by the foetus or child."*

Acting on the results of research

It is important that the results of research are acted upon. When the Draper Report was published in 2005 reporting a significantly increased risk of leukaemia in children living within 600 metres of a high voltage overhead power line, we decided that action was needed. We were already participating in – and part-funding – SAGE, a group set up to bring together the range of stakeholders to identify and explore the implications for a precautionary approach to EMF exposure and make recommendations for precautionary measures.

We have also been working with decision makers in Westminster to put power lines and childhood leukaemia at the top of the political agenda. Dr Howard Stoate MP tabled an Early Day Motion on the subject in June 2005. By the close of the parliamentary session in 2006 the EDM had attracted 223 signatures from across the House, showing just how concerned parliamentarians were about the issue.

We were also pleased to support Dr Stoate in establishing a Parliamentary Commission on Childhood Leukaemia and Electric and Magnetic Fields to examine in more detail the link between childhood leukaemia and EMF and make recommendations to government (SAGE has a broader remit, covering all health effects). Sitting on the Commission alongside Dr Stoate are Michael Connarty MP, Dr Ian Gibson MP, Sandra Gidley MP and Nick Hurd MP. The Commission is awaiting publication of the SAGE report before they make their final report.

EDM 403

STOATE, HOWARD: CHILDHOOD LEUKAEMIA AND OVERHEAD POWER LINES

23 June 2005

That this House recognises that childhood leukaemia is the UK's biggest child-killer disease and that it is still on the increase; welcomes the publication of the paper, 'Childhood cancer in relation to distance from high voltage power lines in England and Wales', known as the Draper Report, funded by the Department of Health; notes that the conclusion to the report states 'There is an association between childhood leukaemia and proximity of home address at birth to high voltage power lines and the apparent risk extends to a greater distance than would have been expected from previous studies'; recognises that the proportion of the UK population now known to be at increased risk of childhood leukaemia from proximity to such lines is 10 times greater than previously demonstrated; endorses the call by the charity Children with Leukaemia to introduce an immediate moratorium on the building of new schools and homes in the proximity of these lines and to increase funding for research into the relationship between electric and magnetic fields and causation of childhood leukaemia; and calls on the Government to take immediate action to help protect children's health.

Abbott, Diane	Alexander, Danny	Amess, David	Ancram, Michael	Anderson, David	Arbuthnot, James
Austin, Ian	Austin, John	Baker, Norman	Banks, Gordon	Battle, John	Begg, Anne
Beith, AJ	Benton, Joe	Benyon, Richard	Bercow, John	Berry, Roger	Betts, Clive
Borrow, David S	Brake, Tom	Breed, Colin	Brokenshire, James	Brooke, Annette	Brown, Lyn
Brown, Nicholas	Brown, Russell	Bruce, Malcolm	Burden, Richard	Burgon, Colin	Burrowes, David
Burt, Lorely	Butler, Dawn	Butterfill, John	Cable, Vincent	Campbell, Gregory	Caton, Martin
Clark, Katy	Clarke, Tom	Clegg, Nick	Clelland, David	Cohen, Harry	Connarty, Michael
Conway, Derek	Cook, Frank	Cooper, Rosie	Corbyn, Jeremy	Crabb, Stephen	Creagh, Mary
Cruddas, Jon	Cryer, Ann	Cunningham, Jim	Davey, Edward	Davies, Dai	Davies, David TC
Davies, Philip	Dean, Janet	Dismore, Andrew	Dobbin, Jim	Dobson, Frank	Dodds, Nigel
Donaldson, Jeffrey	Donohoe, Brian H	Doran, Frank	Dorries, Nadine	Drew, David	Duddridge, James
Dunne, Philip	Durkan, Mark	Ellman, Louise	Engel, Natascha	Ennis, Jeff	Etherington, Bill
Farron, Timothy	Featherstone, Lynne	Field, Mark	Fisher, Mark	Fiello, Robert	Flynn, Paul
Foster, Don	Foster, Michael Jabez	Galloway, George	Gapes, Mike	George, Andrew	Gibson, Ian
Gidley, Sandra	Godsiff, Roger	Goldsworthy, Julia	Goodman, Helen	Goodwill, Robert	Griffith, Nia
Gummer, John	Gwynne, Andrew	Hamilton, Fabian	Hammond, Stephen	Hancock, Mike	Harvey, Nick
Hemming, John	Hepburn, Stephen	Hermon, Sylvia	Heyes, David	Hodgson, Sharon	Hoey, Kate
Holmes, Paul	Hopkins, Kelvin	Horam, John	Horwood, Martin	Howarth, David	Howarth, George
Hughes, Simon	Humble, Joan	Hunter, Mark	Hurd, Nick	Iddon, Brian	Illsley, Eric
Jackson, Stewart	James, Sian C	Jenkins, Brian	Johnson, Diana R	Jones, Kevan	Jones, Lynne
Kawczynski, Daniel	Keeble, Sally	Keeley, Barbara	Keetch, Paul	Kemp, Fraser	Kennedy, Charles
Khabra, Piara S	Khan, Sadiq	Kirkbride, Julie	Kramer, Susan	Lamb, Norman	Lancaster, Mark
Lazarowicz, Mark	Leech, John	Lloyd, Tony	Llwyd, Elfyn	Love, Andrew	Luff, Peter
MacDougall, John	Main, Anne	Marsden, Gordon	Mates, Michael	McCafferty, Chris	McCarthy, Kerry
McCrea, Dr William	McDonnell, Alasdair	McDonnell, John	McGovern, Jim	Meacher, Michael	Meale, Alan
Milton, Anne	Mitchell, Andrew	Mitchell, Austin	Moffat, Anne	Moon, Madeleine	Mudie, George
Mulholland, Greg	Murphy, Denis	Murphy, Paul	Neill, Bob	Newmark, Brooks	O'Hara, Edward
Osborne, Sandra	Pelling, Andrew	Penning, Mike	Prentice, Gordon	Price, Adam	Pugh, John
Randall, John	Rennie, Willie	Riordan, Linda	Robinson, Geoffrey	Robinson, Iris	Rogerson, Daniel
Rosindell, Andrew	Ruddock, Joan	Russell, Bob	Sanders, Adrian	Sarwar, Mohammad	Scott, Lee
Sheerman, Barry	Shepherd, Richard	Sheridan, Jim	Simpson, Alan	Simpson, David	Singh, Marsha
Skinner, Dennis	Spink, Bob	Stewart, Ian	Strang, Gavin	Stunell, Andrew	Swinson, Jo
Tami, Mark	Taylor, David	Taylor, Richard	Thurso, John	Todd, Mark	Tredinnick, David
Trickett, Jon	Truswell, Paul	Turner, Desmond	Vaizey, Edward	Vaz, Keith	Vis, Rudi
Walker, Charles	Walley, Joan	Walter, Robert	Waltho, Lynda	Watkinson, Angela	Widdecombe, Ann
Williams, Alan	Williams, Betty	Williams, Mark	Williams, Roger	Willis, Phil	Willott, Jenny
Winnick, David	Wood, Mike	Wright, Anthony D	Wright, Tony	Wyatt, Derek	Yeo, Tim







Seven year old Eleanor Hines was diagnosed with acute lymphoblastic leukaemia when she was just three years old and was treated by the team at Great Ormond Street Hospital. She finished her treatment in November 2004 and continues to do well. Eleanor is pictured here with all the bottles of pills and medicines she had to take during her two years of treatment.



Childhood leukaemia is rapidly fatal without effective treatment. Fifty years ago almost all children diagnosed with acute leukaemia died, often within weeks. Fantastic improvements in treatment and care mean that four out of five children now survive.

The aim of treatment is to achieve a state called remission where almost all leukaemia cells have been killed, allowing production of normal blood cells to resume, and, by further treatment, to eradicate the disease completely and achieve a cure.

Treatment for acute lymphoblastic leukaemia (ALL), the most common form of childhood leukaemia, lasts up to three years and mainly consists of outpatient treatment. Treatment for acute myeloid leukaemia (AML) is much shorter, lasting around six months, but requires longer stays in hospital.

Being told that your child has leukaemia is the start of an uncertain and difficult time for families. As well as funding research to develop more effective, less toxic treatments for childhood leukaemia we do what we can to make the whole experience more bearable for children and families.

We have a long-standing partnership with the team at Great Ormond Street Hospital (GOSH), who treat one in every 10 children diagnosed with cancer in the UK.

In 2006 the team at GOSH were informed that the childhood cancer and leukaemia services at Barts and the London NHS Trust were to close, with a share of patients being referred to GOSH instead. This will almost double the number of cancer patients they see, stretching their resources to the limit.

In 2006, thanks to the outstanding generosity of our many supporters, we were able to invest £1 million in a much-needed redevelopment of Lion, Giraffe and Elephant Day Care, the haematology and oncology wards at GOSH.

This project will revamp the old-fashioned, cramped facilities where leukaemia patients are currently treated, ultimately enabling the team to treat a greater number of children in more spacious, modern surroundings.

The expansion of services will also benefit the Hospital's research programme at the Institute of Child Health. The increasing number of patients will enable them to make faster progress in their research into the prevention and cure of leukaemia and other childhood cancers.

We are aiming to raise a further £1.4 million towards the GOSH redevelopment by the end of 2008.

*"There is no doubt in my mind that the opportunity for us to rise to one of the top three centres worldwide has been helped by the continued support CHILDREN with LEUKAEMIA has shown us. Through this project we have a wonderful opportunity to take both our treatment and research programmes to yet another level,"*

Andrew Fane, former Chairman of the Special Trustees for Great Ormond Street Hospital for Children.

In 2004, a new EU directive on blood products made Donor Lymphocyte Infusion (DLI), a life-saving leukaemia treatment, illegal. CHILDREN with LEUKAEMIA quickly took action to preserve this vital treatment.

DLI can be used when patients relapse following a bone marrow transplant. The procedure uses white blood cells from the same bone marrow donor to boost the life-saving effects of the original transplant.

The new EU directive required all blood products to be processed anonymously in a blood factory. An unintended consequence of this was to make DLI illegal, as the white blood cells used in treatment must come from the original donor.

This caused a huge dilemma for doctors like Mark Lowdell at the Royal Free Hospital, who did not want to break the law, but wanted to keep saving children's lives. Dr Lowdell comments *"The issues surrounding the production of DLI are exactly the same as those for producing stem cells for transplant and it was a complete nonsense that centres licensed to produce stem cells would not be allowed to produce DLI from the very same donors to treat the very same patients."*

CHILDREN with LEUKAEMIA took immediate action to secure the future of this treatment. One of our trustees met with the Minister of State for Public Health, Caroline Flint MP, and Baroness Hayman, Chair of the Human Tissue Authority to discuss the issue.

As a result, the law is being changed and DLI can continue legally.





The transformation of childhood leukaemia from an almost universally fatal disease to a disease which is now treatable in the majority of children is one of the great medical success stories of the twentieth century. Four out of five children diagnosed with leukaemia now survive.

But whilst doctors and scientists have been very successful in developing treatments which can save young lives, it is becoming increasingly apparent that those who survive can experience health problems in later life as a result of the leukaemia and the intensive treatments that are used.

We are turning our attention to creating more tailored treatment programmes so that each child undergoes a treatment regime which is more specific to their individual needs.

In conjunction with Leukaemia Research, we are supporting a UK-wide study which is using state-of-the-art molecular technology to measure the traces of leukaemia remaining in a child's bone marrow during the early stages of treatment. This is known as Minimal Residual Disease, or MRD.

A child's MRD measurement is used to inform their ongoing treatment regime, so that children found to have high levels of MRD can receive more intensive treatment to reduce their risk of relapse; and children found to have lower levels of MRD can safely receive less intensive treatment, reducing the risk of side-effects from these powerful drugs.

We have so far invested £2.2 million in this ground-breaking programme which is now in its fifth year of national clinical trials. We expect that, if the early promising results continue, the cost of running the programme will be taken on by the NHS when the trial finishes in 2009.

Bethan was diagnosed with acute lymphoblastic leukaemia (ALL) in February 2006, when she was just four years old.

*"A few weeks before the diagnosis, Bethan had been unwell with several infections and had been feeling so tired she lost interest in doing the things she enjoyed," says Bethan's mum Andrea. "She was always such an outgoing child and loved to be out doing something all the time. We had an idea that something was not quite right but when we received the news that she had*

*leukaemia and would need just over two years of chemotherapy we were devastated. We couldn't believe what we were hearing and it was life changing for us."*

Almost all children diagnosed with ALL in the UK are asked to take part in the MRD trial. After having the trial explained to them, Bethan's parents agreed that Bethan should take part.

*"Over the first five weeks Bethan responded well to her treatment and achieved remission at the end of the fifth week as hoped," says Andrea. "But the MRD result came back that she was at a high risk of relapse which was terrible news that we didn't want to hear."*

Children like Bethan who are found to have higher levels of residual leukaemia cells in their bone marrow are randomly allocated to one of two treatment groups: children in the standard treatment group follow the standard treatment regime; children in the intensive group receive a more powerful combination of drugs.

At the end of the study, doctors will compare the two groups of children to see whether those in the intensive group do better. If it is determined that the more intensive treatment is more effective, then all children found to have high levels of MRD will receive the more intensive treatment regime in the future.

*"We really didn't want to hear the news that Bethan was at higher risk of relapse and I suppose we'd be none the wiser if we hadn't taken part in the MRD study," says Andrea. "But research like this is so important. If it wasn't for the thousands of children that have gone before Bethan in trials like this then she wouldn't have such an excellent chance of beating this dreadful disease."*

Andrea is so determined to help other children like Bethan that she is joining the Mr. Men and Little Miss Team in the 2007 Flora London Marathon to raise funds to help us continue to support this vital work.



*A year into her treatment, Bethan, now five, is making great progress. Bethan is pictured here with mum and dad, Andrea and Nick, and big brother Jamie.*

*Andrea says: "Research like this is so important. If it wasn't for the thousands of children that have gone before Bethan in trials like this then she wouldn't have such an excellent chance of beating this dreadful disease."*





# Tackling the toughest forms of childhood leukaemia



Despite the incredible advances in the treatment of childhood leukaemia over recent decades, there remain certain forms of the disease which still elude successful treatment.

Leukaemia predominantly affects younger children. Seventy five per cent of those diagnosed are under the age of six years. Seven per cent are younger than one year. Typically, the under-ones develop a particular form of leukaemia which is very difficult to treat.

We are funding a programme of work at the Paul O’Gorman Childhood Leukaemia Research Centre at the Institute of Child Health in London focused on tackling this devastating form of the disease.



Dr Hugh Brady, the programme leader, is Head of the Molecular Haematology and Cancer Biology Unit. He and his colleagues are making strides towards a better understanding of infant leukaemia.

Dr Brady explains *“Children who are diagnosed with leukaemia at less than one year of age have a poor prognosis. Half of them will not reach their fifth birthday.*

*“The Institute of Child Health is the research arm of Great Ormond Street Hospital and we work closely with our Hospital colleagues on research which we hope will ultimately translate back to their wards in the form of improved treatments for their young patients.*

*“Together we are looking at the genetic changes which lead to infant leukaemia. We have already made some very important discoveries. We know that the vast majority of infant leukaemias are caused*

*by a change involving a break on chromosome 11. The broken chromosome fuses with other broken chromosomes (usually chromosome 4), forming a new gene. This leads to the production of a protein which triggers certain genes in white blood cells to be switched on in an inappropriate way, causing them to mutate into leukaemia cells.*

*“We are working to find out more about precisely what happens at each stage of this process.*

*“We want to see what happens when we ‘turn on’ these genes in bone marrow stem cells. How will this affect the growth of leukaemia cells? And we want to discover what happens to the stem cells if these genes are deleted. This will help us to understand the role of these genes in the normal function of stem cells.*

*“The motivation behind this work is to improve the dismal outlook for babies diagnosed with leukaemia. Ultimately we should be able to develop new treatments which can block the series of events which are causing their white blood cells to malfunction.”*



As a new charity back in 1988, our first goal was to raise £2 million for a new research centre at London's Great Ormond Street Hospital. It took us seven years to achieve this goal but the Paul O'Gorman Childhood Leukaemia Research Centre there now houses one of the UK's leading childhood leukaemia research teams.

Since then we have contributed funding to assist the development of further specialist research centres around the UK. In 2006 we completed payment towards two new centres – at the new Institute of Cancer Sciences, University College London (UCL) and the new Paul O'Gorman Leukaemia Research Centre at the University of Glasgow.

In 2006 we made a payment of £1 million to UCL towards the costs of building and equipping the Paul O'Gorman Building, housing the new Institute of Cancer Sciences. This takes our total contribution to £2 million. The Institute will co-ordinate all of UCL's cancer research, providing a focus for excellent

basic science and translational studies across the College's different sites. The Institute will ultimately house over 200 scientists.

We also made a payment of £200,000 to complete our £500,000 pledge to the University of Glasgow for its new Paul O'Gorman Leukaemia Research Centre. This new centre will bring together Glasgow's existing leukaemia expertise, making collaboration across teams much easier. The new Centre will provide much needed translational research facilities that will give both doctors and researchers access to the most advanced facilities and equipment.

*The Paul O'Gorman Building, housing the Northern Institute of Cancer Research at the University of Newcastle upon Tyne, opened in 2005.*

*We contributed £2 million to the costs of the new building and we are currently providing funding for two research projects taking place within the Institute.*



*Eddie and Marion O'Gorman tighten the final bolt of the new Paul O'Gorman Building – to house the new Institute of Cancer Sciences at UCL.*







Photo: Northampton Chronicle & Echo Newspaper.

Leukaemia is the most common childhood cancer. We often get contacted by schools and other groups who want to find out more about leukaemia, perhaps because one of their pupils has the disease and they want other pupils to understand more about it. We also get regular calls from children's groups who want to raise money to support our work.

In response to both of these needs we launched the Children's Marathon Challenge and later, the Cheeky Monkey's Marathon Challenge, aimed at slightly older children. To complete the Challenges, children need to carry out activities related to the number 26 – the number of miles in a marathon.

Both Challenges have proved hugely popular. Every year we hear fantastic tales of innovation, excellence and achievement. Children walk, run, hop, skip and jump for us. They wash fire engines, bake cakes, tell jokes, draw pictures and balance bananas on their heads for us. And they raise many many thousands of pounds for us in the process.



In 2006 93,404 children took part in the two Challenges, raising more than £1 million to help fight childhood leukaemia.

*"Chloe is a little girl in my class who has been incredibly brave. She has changed my life by being so positive."*

Seven-year old Chloe Peskell from Northampton led her classmates in their Marathon Challenge after she was diagnosed with leukaemia in 2005. The courageous youngster from Overstone Primary School led her year group as they ran laps of the school playing field in June. Chloe and friends raised a staggering £5,300 for CHILDREN with LEUKAEMIA.

The run, which saw every pupil in the school running between two and 15 laps of the playing field, was organised after head-teacher Mark Currell ran the London Marathon as part of our Mr. Men and Little Miss running team. Mr Currell was inspired to persevere with his run by Chloe's courage in fighting her illness: *"Chloe is a little girl in my class who has been incredibly brave. She has changed my life by being so positive."*

## The Amazing Great Children's Party

One of our early initiatives was to give children with leukaemia a fun day out with their families. In 1988 we hosted our very first children's party in Battersea Park. The party has grown and grown and in 2006, our 19th Amazing Great Children's Party, more than 4,000 children joined in the fun.

The party is not only open to children affected by leukaemia but to other disadvantaged children too. It is a huge event. And because so much is donated – from the jelly and ice cream to the costumes and clowns – it costs us little to host. Hundreds of volunteers turn out every year to help with the planning and to help out on the day – to ensure that the children have the best day possible. The smiles speak for themselves.



# CHILDREN with LEUKAEMIA

Registered Charity No. 298405. Inaugurated in 1988 by Diana, Princess of Wales in memory of Jean and Paul O'Gorman



The cost of supporting our vital work is huge. And so our fundraising must operate on a huge scale too.

We receive amazing support from individuals, companies and groups around the UK who go to incredible lengths to raise funds for our work. We are entirely reliant on this voluntary support as we receive no government funding.

## Celebrity appeals

More than a third of our income comes from our postal appeals which simply would not be possible without the continued support of our many celebrity friends. In 2006 our Summer and Christmas Grand Draw appeals were headed by Ronnie Corbett and Jonathan Ross and our Spring and Amazing Great Children's Party appeals were headed by Sir Steve Redgrave and Sir David Jason. Altogether our programme of appeals raised £4.6 million.

A major focus for us during the year was to encourage people to commit to regular gifts (through standing orders or direct debit). This helps us plan ahead with confidence and helps limit our fundraising costs. We succeeded in increasing our committed giving income by almost 40% during the year – to more than £0.8 million.

## Special events

Thanks to the hard work and imagination of a large number of dedicated individuals and committees, the charity benefits from a variety of highly successful fundraising events.

2006 saw the 20th Paul O'Gorman Banquet and Ball, which raised more than £270,000. This event was first held in 1987, only months after Paul died. Paul's sister Jean insisted on attending even though she was critically ill and was to die only two days later. Today the Ball holds a special place not only in the hearts of the O'Gorman family but also the hundreds of people who return every year.



Jeremy Beadle's Quiz Party, held in April, proved once again to be a huge success, raising over £160,000. Other highlights included Opera at Syon, the Captains Cup Golf Tournament at Wentworth, Caroline Randerson's Fire and Ice Ball and the JMD Quiz held at the Tower Hotel in October. One dedicated fundraiser, David Hatch, raised over £38,000 at a Greyhound Racing Bonanza evening in Romford, after his grandson was diagnosed with leukaemia earlier in the year.

## Corporate supporters

The charity is fortunate to receive the support of a large number of companies across the UK and we are keen to increase the number of corporate supporters we work with in the future.

In 2006 we were grateful for the support of Anglo Irish Bank, The Banks Group, The Benfield Group, Carlton Cards, Chorion, Commerzbank, Debenhams, Express Newspapers, Integro, JLT Reinsurance Ltd, JMD, Marks and Spencer, Price Waterhouse Coopers, Royal Bank of Scotland Insurance Services, Somerfield and many others. We thank them all.

In July we began working with soft furnishing retailer Dunelm Mill, whose staff adopted us as their Charity of the Year. Dunelm Mill's first event involved staff inviting their friends and families to the stores to help raise funds for the charity. In total £32,000 was raised. We look forward to building on this success in 2007.



## The Mr. Men and Little Miss Running Team

The Flora London Marathon draws runners from all over the world. For the fifth consecutive year, CHILDREN with LEUKAEMIA fielded a team of over 1,100 runners, each sporting their distinctive Mr Happy and Mr Tickle running vests and creating a huge presence for us along the route. This mammoth effort raised more than £1.9 million in 2006.

In addition to the funds raised by our fantastic team of runners, CHILDREN with LEUKAEMIA was one of the charities selected to benefit from the efforts of Sir Steve Redgrave who set out to raise the highest ever amount achieved by an individual fundraiser in the Flora London Marathon. He smashed the previous record by more than £0.5 million, raising £1.8 million, of which CHILDREN with LEUKAEMIA received £550,000. Sir Steve was assisted in his endeavour by Lloyd Scott who took part in the 2006 Flora London Marathon – which took place on St George's Day – wearing a full suit of armour and dragging a 200lb dragon. Lloyd completed the route in a mere eight days!

In 2006 CHILDREN with LEUKAEMIA was official UK charity for the ING New York City Marathon. We fielded a team of more than 300 runners – the largest UK charity team ever to take part in the event. Our fabulous New York runners raised more than £350,000 towards our vital work.

We continue to develop our participation in other running events. We are one of the biggest teams in the 2006 BUPA Great North Run and we have a major presence in the Hydro Active Women's Challenges across the UK.

Wendy Beamond was one of 1,050 runners taking part in the 2006 BUPA Great North Run on behalf of CHILDREN with LEUKAEMIA. She had very personal reasons for taking on this challenge. Her daughter Lucy was diagnosed with leukaemia when she was only three years old.

Lucy finished her treatment in September 2006 and is in remission. Life is slowly returning to normal for the family after the great upheaval of the past few years.

Wendy ran with her friend – and Lucy's godmother – Jo Stokes. Between them the pair raised an incredible £3,000, treble their original target! *"I am very pleased," said Wendy. "I want to say a big thank you to everyone who has helped."*

Wendy said she has had a break from running since the race but she will be getting the running shoes out again soon.

*Above: Wendy Beamond with daughter Lucy.*







Our goal is to conquer childhood leukaemia. We want all children diagnosed with leukaemia to be cured and for the cure to be effected with minimum disruption to their lives. Ultimately our aim is to understand what causes children to develop leukaemia, so that the rising incidence of the disease can be halted and reversed.

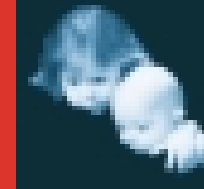
The objects of CHILDREN with LEUKAEMIA, as set out in our governing documents, are:

- i) the relief of children suffering with leukaemia;
- ii) to raise public awareness and knowledge in matters relating to childhood leukaemia;
- iii) the promotion of research into the causes, alleviation, prevention and cure of childhood leukaemia and to publish the results of such research.

The table below sets out the main objectives we set for the charity in 2006, gives information on the extent to which they were achieved and sets out how we intend to carry our work forward in 2007.

What we said we would do in 2006:	What we did in 2006:	Our plans for 2007:
<b>The relief of children suffering with leukaemia:</b> <ul style="list-style-type: none"><li>Continue our partnership with Great Ormond Street Hospital and support the expansion of their cancer wards, allowing the treatment of more children.</li><li>Continue our partnership with the Paul O’Gorman Lifeline charity to support its work in caring for children with leukaemia from Eastern Europe.</li><li>Review the use and operation of our respite facility at Green Hedges in West Sussex and the provision of parental accommodation facilities at the Royal Free Hospital in North London.</li></ul>	<ul style="list-style-type: none"><li>We increased our pledge of support from £1.7 million to £2.4 million and paid the first £1 million for Great Ormond Street Hospital towards this pledge.</li><li>In 2006 we donated £750,536 to help Lifeline bring leukaemic children to the UK and Italy for life-saving treatment.</li><li>Following review, both properties are being sold in order to reinvest the funds in new welfare projects.</li></ul>	<ul style="list-style-type: none"><li>Raise a further £1 million towards our outstanding pledge to Great Ormond Street Hospital.</li><li>Grant a further £750,000 to support the work of Lifeline.</li><li>Manage the sale of these two properties to achieve the best possible financial return in order to maximise the resources we are able to commit to new work.</li><li>Grant £600,000 to CLIC Sargent Cancer Care for Children to complete their appeal for funds to build a Home from Home at University College London Hospital.</li></ul>
<b>To raise public awareness and knowledge in matters relating to childhood leukaemia:</b> <ul style="list-style-type: none"><li>Continue to support Dr Howard Stoaite MP’s cross party Parliamentary Commission on electric and magnetic fields (EMF) and childhood leukaemia.</li><li>Maintain our involvement with the Stakeholders’ Advisory Group on extremely low frequency electric and magnetic fields (SAGE).</li><li>Continue to represent the interests of children with leukaemia and their families by providing a voice on other relevant issues including the change in the law relating to donor lymphocyte infusion (DLI) and the withdrawal of funding for the Radiation Research Programme.</li></ul>	<ul style="list-style-type: none"><li>The first meeting of the Parliamentary Commission was held in May 2006 and a series of further meetings followed.</li><li>We continued our involvement, working towards production of a report which calls for appropriate precautionary measures.</li><li>Following our intervention, the law is being changed to allow DLI to continue; funding for the Radiation Research Programme has been reinstated.</li></ul>	<ul style="list-style-type: none"><li>Continue to work towards our overall plan of securing a Government proposal to ban house building near high voltage overhead power lines through our participation in SAGE and our support of Dr Stoaite’s Commission.</li><li>Continue to represent the interests of children with leukaemia and their families by responding to issues of concern as they arise.</li><li>Produce a review of the scientific evidence linking exposure to infection and risk of childhood leukaemia and disseminate the review once complete.</li></ul>
<b>The promotion of research into the causes, alleviation, prevention and cure of childhood leukaemia and to publish the results of such research:</b> <ul style="list-style-type: none"><li>Raise £1.7 million for the second phase of the Minimal Residual Disease project (by 2009).</li><li>Work with the Childhood Cancer Research Group to take forward a programme of work investigating the causes of childhood leukaemia.</li><li>Launch a grants round to encourage the development of high quality research projects investigating the causes of childhood leukaemia.</li><li>Complete payment of our pledge to the University of Glasgow for their new Paul O’Gorman Leukaemia Research Centre.</li><li>Complete payment of our pledge to University College London towards their new Institute of Cancer Sciences.</li><li>Continue to refine our monitoring procedures for funded projects.</li><li>Investigate other ways of ensuring widespread dissemination of the research that we fund, including the development of a new website.</li><li>Develop plans for a further scientific conference on the causes of childhood leukaemia – to take place in 2008.</li><li>Take forward discussions with the London Cord Blood Consortium about a possible collaboration on umbilical cord stem cell transplantation.</li></ul>	<ul style="list-style-type: none"><li>We paid the first instalment of £619,267 in March 2006, to fund the project until March 2007.</li><li>We awarded funding of £629,676 for a two-pronged programme of work looking at the effect of a) exposure to electric and magnetic fields and b) birthweight on childhood leukaemia risk.</li><li>We funded eight projects, out of 38 applications received, at a total cost £865,124.</li><li>We made our final payment of £200,000 in March, completing our £500,000 pledge.</li><li>We made our final payment of £500,000 in October, completing our £2 million pledge.</li><li>We put in place a system of robust monitoring procedures, including a programme of visits to funded projects and centres.</li><li>Our website has been completely redeveloped and contains comprehensive information on all of the research projects we fund.</li><li>The conference will take place in April 2008 at the Institute of Child Health in London.</li><li>Discussions were held. It was decided not to proceed.</li></ul>	<ul style="list-style-type: none"><li>Pay the next instalment, forecast at £567,853, to fund the Minimal Residual Disease project until March 2008.</li><li>Complete our review of the third strand of the Childhood Cancer Research Group’s epidemiology programme – investigating the possible role of exposure to infection in childhood leukaemia risk - and agree funding if appropriate.</li><li>Monitor these projects alongside our existing portfolio of projects.</li><li>Prepare to launch the next grants round for research into causes.</li><li>We will monitor progress of the building work and of the work carried out in the labs once open.</li><li>We will monitor progress of the building work and of the work carried out in the labs once open.</li><li>Continue to monitor our increasing portfolio of projects.</li><li>Establish a peer review process for programme grant renewals that meets the highest standards of best practice and transparency.</li><li>Launch the new website.</li><li>Maintain and develop the research content of our website.</li><li>Develop the content of the conference programme and take the first steps to promote the event, working in partnership with the Institute of Child Health.</li><li>No further action planned</li><li>Make the first payment of £250,000 to the newly-formed UK Childhood and Leukaemia Group who provide central support for both solid tumour and leukaemia trials.</li></ul>
<b>Fundraising:</b> <ul style="list-style-type: none"><li>Continue to build on the success of our running events in order to encourage more people to run on our behalf and to raise the maximum amount of sponsorship in doing so.</li><li>Develop our committed giving programme, including piloting the use of telephone fundraising.</li><li>Roll out the Cheeky Monkey’s Marathon Challenge following the successful pilot in 2005.</li><li>Develop new partnerships with corporate and trusts.</li></ul>	<ul style="list-style-type: none"><li>More than 1,100 runners took part in the Flora London Marathon on our behalf in April 2006. A further 1,050 represented the charity in the Great North Run and more than 300 runners took part on our behalf in the ING New York City Marathon, where we were the official UK charity.</li><li>We increased our committed giving income by almost 40% in 2006 - to £0.8 million</li><li>Around 100,000 children registered to take part in the Challenge in 2006.</li><li>We established a new Corporate Fundraising team and introduced a programme of applications to companies. We developed a number of existing partnerships with corporate supporters and launched a new one with Dunelm Mill.</li></ul>	<ul style="list-style-type: none"><li>Continue to build the number of runners we recruit and support for the Flora London Marathon, the BUPA Great North Run, the ING New York City Marathon and other running events.</li><li>Continue to promote committed giving to existing supporters.</li><li>Continue to build on the success of our two Children’s Challenges, the Children’s Marathon Challenge and the Cheeky Monkey’s Marathon Challenge.</li><li>Continue to develop our corporate partnership programme.</li><li>Recruit a trust fundraiser to grow our income from trusts and foundations.</li><li>Promote legacy giving to our existing supporters as an additional means of supporting the charity.</li><li>Continue to promote and support the charity’s programme of fundraising events, including the Paul O’Gorman Banquet and Ball and the Jeremy Beadle Quiz</li></ul>





## Governing documents

These accounts are for CHILDREN with LEUKAEMIA UK (formerly CHILDREN with LEUKAEMIA) and its subsidiaries, the Foundation for Children with Leukaemia (the Foundation), the Children with Leukaemia Charitable Trust and Helping Children with Leukaemia Limited. CHILDREN with LEUKAEMIA is the registered working name of CHILDREN with LEUKAEMIA UK.

The Foundation operates under its Trust Deed (dated 4th January 1988) and Variation of Trust Deed (dated 10th December 2003). The operating company, CHILDREN with LEUKAEMIA, became the reporting charity on 21 December 2006 following a restructuring. On 22 December 2006, the new reporting charity changed its name to CHILDREN with LEUKAEMIA UK and registered CHILDREN with LEUKAEMIA as its working name. CHILDREN with LEUKAEMIA UK is a company limited by guarantee and operates under its Memorandum and Articles of Association dated 11th November 2003 as amended by special resolutions, dated 30th November 2004 and 22nd December 2006.

## Board of Trustees

The governing body of the reporting charity is the Board of Trustees, which has a current total of six members. It meets at least three times a year together with the Chief Executive.

## Trustee appointment and induction

There were no new appointments to the Trustee Board in 2006 (four new appointments in 2005). The policy with respect to the size and make-up of the Board is to keep the size of the Board small whilst ensuring that the founding family remains in a minority. 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 staff team. The Chairman and Chief Executive also task the Board with decision-making on some strategic management issues as appropriate.

In December 2006 the Board established a Planning and Management Committee, comprising the Chairman, two other Trustees, the Chief Executive and the Deputy Chief Executive, which now meets fortnightly.

The staff are expected to call upon the expertise of a panel of scientific advisers before making recommendations to Trustees.

It is the Trustees' policy to work with other relevant charities and during the course of 2006, the Charity worked closely with the Leukaemia Research Fund, Great Ormond Street Hospital Children's Charity, Paul O'Gorman Lifeline and the Venik Trust.

In December 2006, further to the Charity's annual risk assessment, the Trustees determined to establish an internal conflicts of interest register.

## 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 keep under regular review the major risks that could affect their achievement of the Charity's objectives. It is the Trustees' policy that a substantive annual risk assessment takes place and that wherever possible, different experts examine the issues each year. It is anticipated that this will usually entail the use of one firm from the Charity's roster of professional advisers whether legal or accountancy and that the fresh perspectives brought each year will add considerable value in identifying potential exposure not previously apparent to the staff and Trustees.

Risk reviews were carried out in 2004 by the Charity's internal auditors, Sayer Vincent, in 2005 by the Charity's external auditors, Deloitte, and in 2006 by the Charity's legal advisers, Stone King. An ongoing risk register has been introduced to help identify potential risks which could have a critical impact and to enable further risk management to be introduced.

## 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 an unrestricted reserve of between two and four months of the annual total expenditure with an aim to be in the middle of the range. Free reserves at 31 December 2006, equal to the total of unrestricted funds excluding tangible fixed assets, amounted to £2.9m (2005: £2.1m), which represents 14 weeks of unrestricted resources expended during 2006 and therefore meets the policy requirement.

## 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 only on short term 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. They would like to maximise real returns so resources in excess of the level of reserves may be invested as cash for such fixed terms as are deemed optimal from time to time in relation to cash flow requirement and short and medium interest rates prevailing at the time.

The Trustees plan to undertake an investment and currency management review in 2007.

## Grant making policy

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

### • Welfare grants

Over recent years, the Charity has granted its welfare establishments to other charities and under standing agreements has provision to fund the work of these facilities. New welfare facilities are now initiated only through third parties under grant funding. There is no open application process for welfare grants and no welfare grants are given to individuals. The staff of the Charity proactively work with the Trustees to determine which organisations should 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 the Leukaemia Research Fund, Great Ormond Street Hospital Children's Charity, University College London and other institutions giving grants in support of the parts of their programmes which are relevant to the Charity's objects.

#### 2. Research into prevention and causes

In 2005, the Charity was accepted as a member of the Association of Medical Research Charities and advertises worldwide for project applications which are then subject to peer review and assessment by the Charity's expert research grants committee 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 leukaemia. The Childhood Cancer Research Group at Oxford University was added to this roster of programmes during the year.

## Statement of Trustees' responsibilities for the financial statements

UK company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's incoming resources and application of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements the Trustees are 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 material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees as directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the company and the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved by the Board and signed on its behalf on 1st May 2007 by

Eddie O'Gorman  
Chairman of Trustees







CHILDREN with LEUKAEMIA is the registered working name of CHILDREN with LEUKAEMIA UK and of the Foundation for Children with Leukaemia (formerly the Paul O'Gorman Foundation for Children with Leukaemia) which was constituted as a charity under a Trust Deed dated 4 January 1988, 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.

On 1 January 2005, the Foundation for Children with Leukaemia transferred its assets and operations to CHILDREN with LEUKAEMIA UK (then called CHILDREN with LEUKAEMIA), a company limited by guarantee with Company number 4960054. The registered charity number for this new company remains the same as for the Foundation.

## Trustees

Trustees of the reporting charity, CHILDREN with LEUKAEMIA UK, who served during the year were: Eddie O'Gorman (Chairman)  
The Earl Cadogan DL  
Professor Denis Henshaw  
Sandra Mileham  
Baroness Morgan of Drefelin (resigned 23 January 2007)  
Marion O'Gorman  
Linda Robson

## Chief Executive

Edward Copisarow

## Registered Charity Number

298405

## Registered Company Number

4960054

## Principal office

51 Great Ormond Street, London WC1N 3JQ

## Solicitors

Nabarro Nathanson  
Lacon House, Theobald's Road, London WC1X 8RW

Stone King LLP  
28 Ely Place, London EC1N 6TD

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

## External auditors

Deloitte & Touche LLP  
Hill House, 1 Little New Street, London EC4A 3TR

## Internal auditors

Sayer Vincent  
8 Angel Gate, 326 City Road, London, EC1V 2SJ

## Bankers

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

## Scientific Advisers

Prof. A. V. Hoffbrand, DM, FRCP,  
FRCPATH, DSc (Chairman)  
Prof. M. Coleman, BM, BCh, MSc, MFPhm  
Prof. N. E. Day, MA, PhD, MRCPATH  
Prof. J. Golding, MA, PhD, FSS, DSc  
Prof. J. M. Goldman, DM, FRCP, FRCPATH  
Prof. I. M. Hann, MD, FRCP, FRCPATH, FRCPCH, FRCP  
Prof. I. A. G. Roberts, MD, FRCP, FRCPATH,  
FRCPCH, DRCOG

## Amazing Great Children's Party

Hugo Amaya-Torres (Chairman)

## Celebrity Friends

Jeremy Beadle (Chairman)  
Russ Abbot • Debbie Arnold • Jane Asher • Colin Baker  
Floella 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  
Christopher Cazenove • 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 • Reg Gutteridge  
Haruhisa Handa • Ainsley Harriott • Barry Hearn  
Bob Holness • Bob Hoskins • Jane How • Michael Howe  
Nerys Hughes • David Janson • Sir David Jason  
Gorden 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 • Debbie McGee  
Anthony McPartlin • Philip Madoc • Ruth Madoc  
Ron Moody • Garfield Morgan • Patrick Mower  
Tom O'Connor • Bill Oddie • Richard O'Sullivan  
Nick Owen • Nicholas Parsons • Su Pollard  
Robert Powell • Pauline Quirke • Claire Rayner  
Sir Steve Redgrave • Angharad Rees • Anneka Rice  
Jonathan Ross • Tessa Sanderson • Gerald Scarfe  
Phillip Schofield • Pat Sharp • Ivor Spencer  
Michaela Strachan • Eric Sykes • Chris Tarrant  
Angela Thorne • David Vine • Dennis Waterman  
Kevin Whately • June Whitfield • Simon Williams  
Gary Wilmot • Frank Windsor • Terry Wogan  
Susannah York • Paul Young

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51 Great Ormond Street, London WC1N 3JQ  
Tel: 020 7404 0808  
Fax: 020 7404 3666  
Email: info@leukaemia.org  
www.leukaemia.org

We have audited the group and parent company financial statements (the 'financial statements') of CHILDREN with LEUKAEMIA UK for the year ended 31 December 2006 which comprise the consolidated statement of financial activities, the balance sheets, the consolidated cash flow statement and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditors

As described in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purposes of company law, are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report on the consistency of the trustees' report with the financial statements, if the charity 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 other transactions is not disclosed. We read the trustees' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

## 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 trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the the group and charitable company'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.

## 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 group and charitable company's affairs as at 27th March 2007 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the trustees' report is consistent with the financial statements.

*Deloitte & Touche LLP.*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London  
1st May 2007

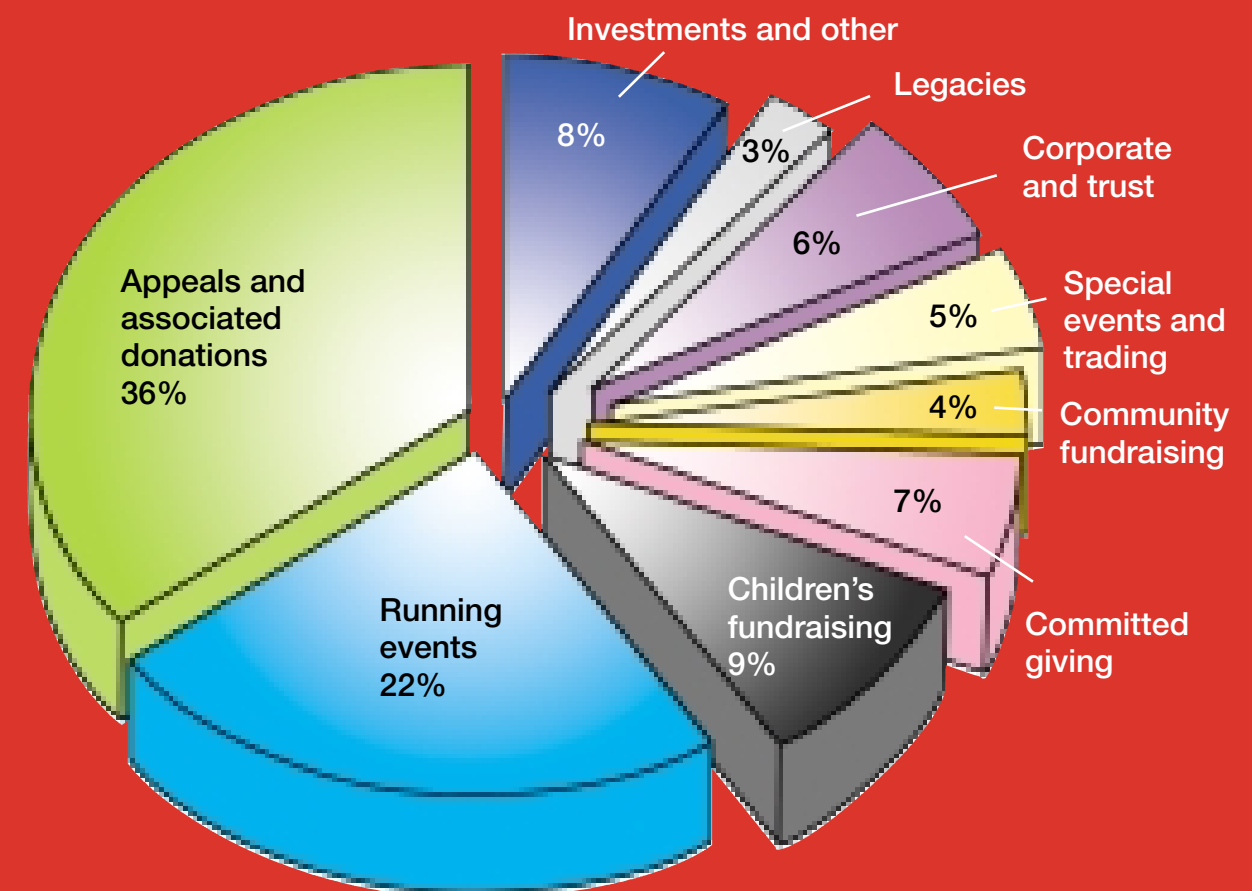


## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2006 (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

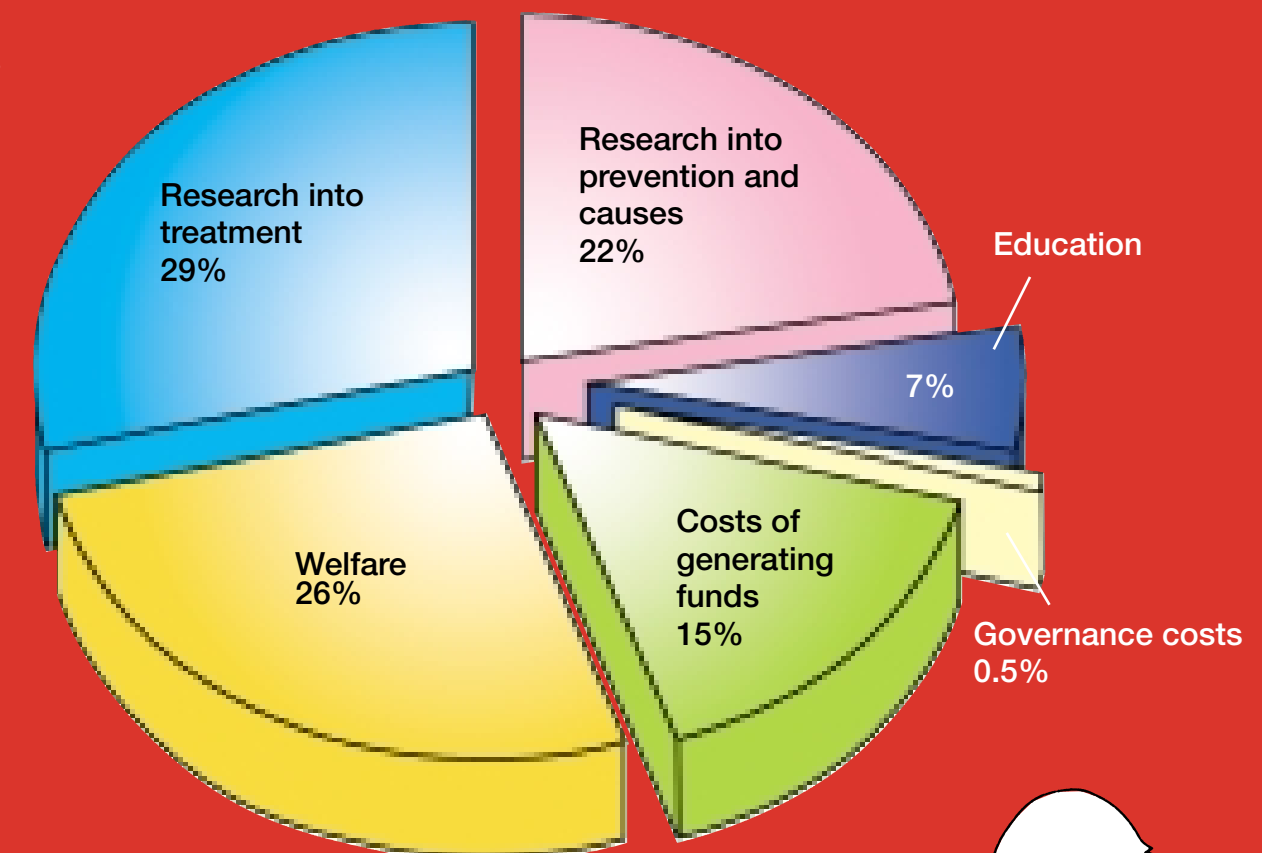
	Note	Total restricted funds £	Total unrestricted funds £	Total 2006 £	Total 2005 as restated £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary Income					
Appeals and associated donations		-	4,562,867	4,562,867	4,258,932
Committed giving		-	821,756	821,756	596,997
Schools and children's groups fundraising		-	1,146,847	1,146,847	903,477
Running events		-	2,711,243	2,711,243	2,336,520
Community fundraising		-	457,605	457,605	535,518
Corporate and trust donations	12	35,642	714,757	750,399	418,415
Legacies		-	317,863	317,863	172,625
		<u>35,642</u>	<u>10,732,938</u>	<u>10,768,580</u>	<u>9,222,484</u>
Activities for generating funds					
Special events and trading		-	670,339	670,339	480,932
Investment income		-	216,602	216,602	209,369
Other incoming resources	2	-	762,769	762,769	149,111
<b>Total incoming resources</b>		<u>35,642</u>	<u>12,382,648</u>	<u>12,418,290</u>	<u>10,061,896</u>
<b>Resources expended</b>					
Costs of generating funds					
Costs of generating voluntary income		-	1,457,159	1,457,159	1,244,562
Costs of special events and trading		-	178,601	178,601	184,801
Charitable activities					
Research into Prevention & Causes		728	2,429,697	2,430,425	2,020,563
Research into Treatment		9,925	3,168,643	3,178,568	2,206,966
Welfare		-	2,875,663	2,875,663	3,755,144
Education		-	736,394	736,394	549,682
Governance costs		-	54,870	54,870	40,582
<b>Total resources expended</b>	3	<u>10,653</u>	<u>10,901,027</u>	<u>10,911,680</u>	<u>10,002,300</u>
<b>Net incoming resources before transfers</b>		24,989	1,481,621	1,506,610	59,596
Gross transfers between funds	12	(24,989)	24,989	-	-
<b>Net movement in funds</b>		-	1,506,610	1,506,610	59,596
Funds at the start of the year		-	2,075,195	2,075,195	2,015,599
<b>Funds at the end of the year</b>		<u>-</u>	<u>3,581,805</u>	<u>3,581,805</u>	<u>2,075,195</u>

All of the above results are derived from continuing activities.  
There were no other recognised gains or losses other than those stated above.  
Movements in funds are disclosed in note 12 to the financial statements.  
The notes on pages 29 to 31 form part of these financial statements.

### Incoming resources



### Resources expended







BALANCE SHEETS AS AT 31 DECEMBER 2006					
Note	2006		2005 as restated		
	Group £	Charity £	Group £	Charity £	
<b>Fixed assets</b>					
Tangible assets	6	697,667	697,667	-	-
Investments	7	-	100	100	100
		<u>697,667</u>	<u>697,767</u>	<u>100</u>	<u>100</u>
<b>Current assets</b>					
Debtors and prepayments	9	1,247,478	1,248,500	732,220	732,220
Investments		5,100,000	5,100,000	3,850,000	3,850,000
Cash at bank and in hand		648,041	645,919	822,238	821,238
<b>Creditors: amounts falling due within one year</b>					
Grants	10	(1,696,425)	(1,696,425)	(859,914)	(859,914)
Other	10	(455,296)	(455,296)	(450,881)	(450,881)
<b>Net current assets</b>		<u>4,843,798</u>	<u>4,842,698</u>	<u>4,093,663</u>	<u>4,092,663</u>
<b>Total assets less current liabilities</b>		<u>5,541,465</u>	<u>5,540,465</u>	<u>4,093,763</u>	<u>4,092,763</u>
<b>Creditors: amounts falling due after more than one year</b>					
Grants		(1,959,660)	(1,959,660)	(2,018,568)	(2,018,568)
<b>Net assets</b>		<u>3,581,805</u>	<u>3,580,805</u>	<u>2,075,195</u>	<u>2,074,195</u>
Represented by:					
<b>Unrestricted funds</b>	11	<u>3,581,805</u>	<u>3,580,805</u>	<u>2,075,195</u>	<u>2,074,195</u>

The notes on pages 29 to 31 form part of the financial statements.  
Approved and signed on behalf of the Trustees on 1st May 2007

The Earl Cadogan  
Trustee

Eddie O'Gorman  
Trustee

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

Note	2006		2005 as restated		
	£	£	£	£	
<b>Net cash inflow from operating activities</b>	a)	859,101	182,165		
Returns on investment and servicing of finance – interest received		216,602	209,369		
Management of liquid resources – increase in current asset investments		(1,250,000)	(550,000)		
<b>Decrease in cash in the period</b>	b)	<u>(174,297)</u>	<u>(158,466)</u>		
<b>Notes to the Cash flow Statement</b>					
<b>a) Reconciliation of changes in resources to net cash inflow from operating activities</b>		<b>2006</b>	<b>2005</b>		
		<b>£</b>	<b>£</b>		
Net incoming resources		1,506,610	59,596		
Investment income		(216,602)	(209,369)		
Depreciation		2,333	-		
Changes in debtors		(515,258)	(289,863)		
Changes in creditors		782,018	621,801		
Grant of tangible fixed asset		(700,000)	-		
		<u>859,101</u>	<u>182,165</u>		
<b>b) Analysis of net funds</b>	<b>1 January 2006</b>	<b>Cashflow</b>	<b>HCwL</b>	<b>31 December</b>	
	<b>as restated</b>		<b>(see note)</b>	<b>2006</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Cash at bank and in hand	822,238	(174,297)	100	648,041	

As detailed in note 1(b), Helping Children with Leukaemia Ltd (HCwL) has been included in the consolidated financial statements for the first time in 2006, thereby increasing the consolidated cash balance by £100.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

**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 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**  
The Foundation for Children with Leukaemia (the Foundation), an unincorporated charity, was the ultimate parent company until 21 December 2006. Until that date, the Foundation had two direct subsidiaries, being the operating charity, CHILDREN with LEUKAEMIA, and the Children with Leukaemia Charitable Trust (the Trust). By order of the Charity Commissioners for England and Wales, both the Foundation and the Trust became subsidiaries of CHILDREN with LEUKAEMIA on 21 December 2006 and CHILDREN with LEUKAEMIA became the ultimate parent company. CHILDREN with LEUKAEMIA changed its name to CHILDREN with LEUKAEMIA UK on 22 December 2006. CHILDREN with LEUKAEMIA UK owns the whole of the share capital of Helping Children with Leukaemia Limited (HCwL), a company registered in England. The consolidated financial statements incorporate the results of CHILDREN with LEUKAEMIA UK, the Foundation, the Trust and HCwL using the line by line basis. This is a change in accounting policy as in previous years, HCwL was not consolidated on grounds of materiality. Neither the Foundation nor the Trust nor HCwL traded during 2006. The balance sheets for all three subsidiaries are shown in note 7.

**(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 5 to the accounts. Governance costs are the costs incurred to manage the Charity in compliance with constitutional and statutory requirements.

**(f) Taxation**  
CHILDREN with LEUKAEMIA 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. 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 2006, 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. Pension costs are accounted for on an accruals basis.

2. Other incoming resources	2006 £	2005 £
Paul O'Gorman House	700,000	-
Foreign exchange gains	62,769	-
Reversal of accrual for running costs of Paul O'Gorman House	-	105,000
Repayment of University of Bristol grant	-	44,111
	<u>762,769</u>	<u>149,111</u>

Paul O'Gorman House was granted to the special Trustees of the Royal Free Hospital in 2003 for purposes within the charitable objects of CHILDREN with LEUKAEMIA UK. Because of a reorganisation of NHS healthcare in London, the building could no longer be used for these purposes from 2006 and as a consequence, the special Trustees of the Royal Free Hospital determined to return the building to CHILDREN with LEUKAEMIA UK on 22 November 2006.

Note	Research into Prevention & Causes £	Research into Treatment £	Welfare £	Education £	Governance £	Cost of generating voluntary income £	Costs of special events and trading £	2006 Total		2005 Total	
								£	£	£	£
Staff costs	13	129,144	58,148	215,008	228,399	-	169,286	11,826	811,811	664,159	
Direct charitable spend		2,301,281	3,120,420	2,660,655	507,995	-	-	-	8,590,351	8,038,654	
Printing, postage & stationery		-	-	-	-	-	537,252	3,097	540,349	695,004	
Function and venue costs		-	-	-	-	-	741,792	163,678	905,470	554,940	
Other expenditure		-	-	-	-	-	8,829	-	8,829	8,961	
Audit fee		-	-	-	-	25,850	-	-	25,850	22,325	
Other office costs		-	-	-	-	29,020	-	-	29,020	18,257	
		<u>2,430,425</u>	<u>3,178,568</u>	<u>2,875,663</u>	<u>736,394</u>	<u>54,870</u>	<u>1,457,159</u>	<u>178,601</u>	<u>10,911,680</u>	<u>10,002,300</u>	

Note	Cost of generating voluntary income £	Research into Prevention & Causes £	Research into Treatment £	Welfare £	Education £	2006 Total		2005 Total	
						£	£	£	£
Central services	18,820	55,984	3,771	18,669	1,143	98,387	99,970		
Operational management	8,016	4,380	3,138	15,533	118,053	149,120	142,118		
	<u>26,836</u>	<u>60,364</u>	<u>6,909</u>	<u>34,202</u>	<u>119,196</u>	<u>247,507</u>	<u>242,088</u>		

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.





5. Costs of charitable activities	Activities undertaken directly £	Grant funding of activities £	Support costs £	2006 Total £	2005 Total £
Research into Prevention & Causes	862,913	1,507,148	60,364	2,430,425	2,020,563
Research into Treatment	835,523	2,336,136	6,909	3,178,568	2,206,966
Welfare	1,995,925	845,536	34,202	2,875,663	3,755,144
Education	617,198	-	119,196	736,394	549,682
	4,311,559	4,688,820	220,671	9,221,050	8,532,355

6. Tangible fixed assets	
	Freehold land and buildings £
Valuation Additions	700,000
Balance at 31 December 2006	700,000
Accumulated depreciation Charge for year	2,333
Balance at 31 December 2006	2,333
Net book value At 31 December 2006	697,667

The sole tangible fixed asset held is Paul O’Gorman House, returned to the charity by the special trustees of the Royal Free Hospital as detailed in note 2. The valuation used is the building’s current value, based on the average of valuations obtained from four estate agents. All tangible fixed assets are held for charity use.

**7. Investment in subsidiary**  
CHILDREN with LEUKAEMIA UK is the sole Trustee of the Foundation for Children with Leukaemia (the Foundation) and the Children with Leukaemia Charitable Trust (the Trust), both unincorporated charities, and holds 100% of the share capital of Helping Children with Leukaemia Limited (HCwL). Neither the Foundation nor the Trust nor HCwL traded during the year.

The balance sheets for the subsidiaries as at 31 December 2006 are as follows:	Foundation	Trust	HCwL	Total
	£	£	£	£
Assets	1,000	-	100	1,100
	=====	=====	=====	=====
Unrestricted funds	1,000	-	100	1,100
	=====	=====	=====	=====

**8. Trustees’ emoluments**  
The Trustees received no remuneration or expenses during the year.

9. Debtors	2006 Group £	2006 Charity £	2005 £
Trade debtors	77,980	79,002	41,299
Other debtors	441,816	441,816	239,816
Accrued income	111,722	111,722	144,202
Prepayments	615,960	615,960	306,903
	1,247,478	1,248,500	732,220

10. Creditors: amounts falling due within one year	2006 £	2005 £
Trade creditors	2,609	611
Taxes and social security	21,176	17,781
Accruals and deferred income	431,511	432,489
	455,296	450,881
Grants	1,696,425	859,914
	2,151,721	1,310,795

11. Analysis of net assets between funds	Unrestricted funds 2006 £	Restricted funds 2006 £	Total funds 2006 £	Total funds 2005 £
Fixed assets	697,667	-	697,667	100
Net current assets	4,843,798	-	4,843,798	4,093,663
Creditors falling due after more than one year	(1,959,660)	-	(1,959,660)	(2,018,568)
Net assets at the end of the year	3,581,805	-	3,581,805	2,075,195

12. Statement of funds	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds	-	35,642	(10,653)	(24,989)	-
Unrestricted funds	2,075,195	12,382,648	(10,901,027)	24,989	3,581,805
Total funds	2,075,195	12,418,290	(10,911,680)	-	3,581,805

The restricted funds comprised donations from trust funds and corporate partners to be spent on specific projects and these were all discharged during 2006, all on grants to third parties.

£25,717 was received in 2006 for the purpose of funding the 2005 grant made to Dr Malcolm Taylor. Since all but £728 of this grant was paid out in 2005 from unrestricted funds, the remaining £24,989 was transferred from restricted back to unrestricted funds in 2006.

13. Staff costs	2006 £	2005 £
Salaries and wages	664,559	549,187
National Insurance	69,028	59,558
Pension	78,224	55,414
	811,811	664,159

One employee earned between £110,000 and £120,000 during the year (2005: one employee earned between £100,000 and £110,000). No other employee had emoluments exceeding £60,000.

The average weekly number of employees during the year, as calculated on a full time equivalent basis, was as follows:	Number of employees 2006 19	2005 17
--	-----------------------------------	------------

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

**14. Capital commitments**  
There were no capital commitments at 31 December 2006 (2005: Nil).

**15. Share Capital**  
CHILDREN with LEUKAEMIA UK is a company limited by guarantee and has no share capital. The liability of members is limited to the sum of £1 per member.

**16. Control**  
There is no controlling party of CHILDREN with LEUKAEMIA UK.

**17. Related parties**  
Lord Cadogan, a Trustee, is Chairman of the Board of Trustees for the Leukaemia Research Fund. The Charity gave grants of £1,103,353 via the Leukaemia Research Fund during 2006. Lord Cadogan did not take part in discussions concerning the decision to make these grants. No amounts were owed to or by the Leukaemia Research Fund at the year end (2005: £nil).

Professor Denis Henshaw, a Trustee, is the holder of a grant made in 2004 for £1,322,309 which is being paid out to his institution (the University of Bristol) over the years 2005 to 2008. £594,533 was owed to the University of Bristol at the year end (2005: £792,711).

Baroness Morgan, a Trustee, was an associate of Pall Mall Consult during the year. Pall Mall Consult were retained by the Charity for public affairs and government relations work and were paid a total of £61,867 during 2006. No amounts were owed to or by Pall Mall Consult at the year end (2005: £nil).

Professor Mel Greaves was a member of the panel of scientific advisers who determined the allocation of a funding round during 2006. He received a project grant of £103,238 (to be paid to his institution, the Institute of Cancer Research) but was not present for the discussions concerning his grant proposal. £103,238 was owed to the Institute of Cancer Research at the year end (2005: £nil).

**18. Restatement**  
The trustees have reviewed the balance of cash at bank and in hand held in 2005 and restated £3,850,000 as current asset investments as this better reflects the nature of the amounts held.

Similarly, the trustees have reviewed the costs of generating voluntary income in 2005 and restated £184,801 as costs of special events and trading as this better reflects the nature of the resources expended.

19. Grants to third parties	2006 £	2005 £
Outstanding liabilities at the start of the year	2,878,482	2,038,320
Awarded during the year:		
Research into prevention and causes	1,507,148	1,160,471
Research into treatment	2,336,136	1,513,368
Welfare	845,536	1,890,651
Paid during the year	(3,840,562)	(3,738,986)
Foreign exchange (gains)/losses	(70,655)	14,658
Outstanding liabilities at the end of the year	3,656,085	2,878,482
Grants falling due within one year	1,696,425	859,914
Grants falling due after more than one year	1,959,660	2,018,568
	3,656,085	2,878,482

19. Grants to third parties (continued)	Research into prevention and causes 2006 £	Research into treatment 2006 £	Welfare 2006 £	Total 2005 £
Great Ormond Street Hospital Children’s Charity. Capital funding for redevelopment and expansion of haematology/oncology facilities. (2005: funding for Paul O’Gorman Patient Hotel)		1,000,000		1,000,000
Paul O’Gorman Lifeline. Continuation of funding towards the treatment of children from Eastern Europe in specialist centres in Western Europe.			750,536	755,267
Dr Mike Murphy, Childhood Cancer Research Group, University of Oxford. Programme grant.	629,796			
UK Childhood Leukaemia Working Party. Phase III studies of MRD-based risk stratification and treatment of childhood ALL. †		619,267		392,228
University College London. Third instalment of capital grant towards new Paul O’Gorman Building to accommodate new Institute of Cancer Sciences.		500,000		1,000,000
Professor Andrew Hall, University of Newcastle upon Tyne. Project funding (12 months). Drug resistance in children with ALL. †		284,086		
University of Glasgow. Third instalment of capital grant towards new Paul O’Gorman Childhood Leukaemia Research Centre. †		200,000		
Dr Rob Mairs, University of Glasgow. Project funding (36 months): Determination of the mutagenicity in murine haemopoietic progenitors of extremely low frequency electromagnetic fields and ionising radiation using microsatellite analysis.	149,991			
Dr Malcolm Taylor, University of Manchester. Project funding (24 months): The role of HLA genes in protection from childhood leukaemia.	121,395			
Dr Catherine Metayer, Northern California Childhood Leukemia Study, University of California. Project funding (36 months): Environmental chemical exposures in the aetiology of cytogenetic subgroups of childhood leukaemia	115,569			
Dr Anand Chokkalingam, Northern California Childhood Leukemia Study, University of California. Project funding (36 months): Variation in genes of the MHC, exposure to infections and risk of childhood ALL.	111,031			
Professor Mel Greaves, Institute of Cancer Research London. Project funding (24 months): Collateral DNA damage as an indicator of prior aetiological exposures in infant leukaemia.	103,238			
Dr Joao Barata, University of Lisbon. Project funding (36 months): Can TAL1 and LM02 effectively trigger T-cell acute leukaemia? Studies on the functional and molecular consequences of TAL1/LM02 over-expression in normal human haematopoietic and T-cell progenitors.	97,447			
Dr Gordon Strathdee, University of Newcastle upon Tyne. Project funding (24 months): Functional relevance of loss of HOX gene expression in childhood leukaemia.	93,899			
Dr Steve Selvin, Northern California Childhood Leukemia Study, University of California. Project funding (36 months): Admixture and infectious exposures in the aetiology of childhood leukaemia.	72,554		60,000	60,000
The Variety Club of Great Britain. Towards Paediatric Nursing Award Scheme.			25,000	384
The Venik Trust. Running costs for Paul O’Gorman Respite Centre (Green Hedges)				
Coghill Research Laboratories, Gwent. Miscellaneous research and conference expenses.	24,000			2,550
Dr Mark Lowdell, Paul O’Gorman Laboratory of Cellular Therapeutics, Royal Free Hospital. TaNK project. Leukaemia CARE. To support the running costs of Care Line.		14,295	10,000	5,000
Dr Hugh Brady, Institute of Child Health, London. Towards costs of hosting the Molecular Basis of Childhood Leukaemia Conference, March 2006		5,000		10,000
Dr Mike Murphy, Childhood Cancer Research Group, University of Oxford. Twins paper.	2,000			
Dr Malcolm Taylor, University of Manchester. Capital grant for purchase of DNA sequencer for cancer immunogenetics laboratory.	728			64,591
Dr Joseph Wiemels, University of California, San Francisco. Project funding (36 months): Aetiology of t(1;19) E2A-PBX1+ leukaemia: an integrative research project				161,110
Professor Eric Wright, University of Dundee. Project funding (36 months): Investigation of microenvironmentally-mediated damage as a promotional factor in childhood leukaemia.				138,493
Professor Gladys Block, University of California, Berkeley. Project funding (36 months): Effect of maternal and child diet and folate metabolism gene variants on childhood leukaemia risk.				133,022
Dr Ketan Patel, MRC Laboratory of Molecular Biology, Cambridge. Project funding (36 months): Identification and characterisation of novel genes that function in the Fanconi anaemia suppressor pathway.				111,000
Professor Patricia Buffler, Northern California Childhood Leukemia Study, University of California, Berkeley. Project funding (36 months): Individual genetic susceptibility and environmental exposures in the aetiology of childhood leukaemia.				110,666
Dr Leeka Kheifets, University of California, Los Angeles. Project funding (24 months): Updated pooled analysis of childhood leukaemia and magnetic fields.				110,106
Dr Craig Donaldson, University of the West of England. Project funding (24 months): A study of human NKT cells in stem cell transplant recipients. (Underspend from previous grant reversed in 2006.)		(2,426)		94,140
Dr M Tefvik Dorak, University of Newcastle upon Tyne. Project funding (24 months): Genes influencing body iron content and childhood leukaemia risk.				93,532
Professor Russel Reiter, University of Texas. Project funding (24 months): Light at night, melatonin, and experimental leukaemia progression.				72,436
Dr Richard Feltbower, University of Leeds. Project funding (18 months): Does population mixing measure infectious exposure at the community level?				69,052
CHASE Hospice Care for Children. Towards costs of providing services for the families of children with leukaemia.				50,000
Professor Eric Wright, University of Dundee. Towards relevant aspects of the International Workshop on Non-targeted and Non-linear Effects of Ionising Radiation, August 2006. (Underspend from 2005 grant reversed in 2006.)	(14,500)			29,000
Dr Vladimir Binh, Russian Academy of Sciences. Project funding (12 months): Theoretical study of the role of magnetic nanoparticles.				20,490
The Sussex Snowdrop Trust. Towards costs of providing services to the families of children with leukaemia.				20,000
Dr Paul Veys & Dr Persis Amrolia, Great Ormond Street Hospital. Project funding (12 months): Anti-CD34 immunotoxin study				17,000
Professor Sam Milham, Washington DC. Project funding (24 months): Studies of the relationship between environmental EMF exposure and childhood leukaemia.				16,555
Professor Nicholas Priest, Middlesex University. Project funding (12 months): Environmental radioactivity as a cause of leukaemia in a high radiation area within central Asia: a feasibility study.				15,000
Association of Radiation Research. Towards costs of European Radiation Research conference, September 2005.				6,739
Dr Adrienne Morgan. To produce ‘A review of the scientific evidence linking EMF and childhood leukaemia’.				5,875
Alasdair Philips, Powerwatch. Ongoing research expenses.				254
UK Childhood Leukaemia Working Party. Underspend from 2005 grant reversed in 2006.		(284,086)		
Total grants to third parties	1,507,148	2,336,136	845,536	
Grand total			4,688,820	4,564,490

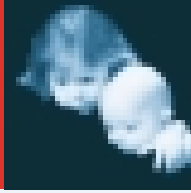
Grants are generally awarded to the host institution in respect of research programmes carried out by the individuals named above.

† Grant administered by the Leukaemia Research Fund (registered charity no. 216032)





# Thank you



CHILDREN with LEUKAEMIA is very fortunate to receive the support of so many dedicated individuals and organisations who devote vast amounts of time and energy to our cause.

We are grateful to the many celebrity friends who support our work in numerous ways. Special thanks go to Jeremy Beadle who devotes an enormous amount of time to the charity. Amongst many activities on our behalf in 2006, Jeremy hosted his annual Quiz Party, JMD's Quiz at the Tower and compèred at the Paul O'Gorman Banquet and Ball. Once again, we are grateful to Linda Robson, who gives a substantial amount of her time to the charity and became a Trustee in 2005. We would also like to thank Sandy Lyle, who hosts the Captains Cup Tournament, and Sir Steve Redgrave, Sir David Jason, Ronnie Corbett and Jonathan Ross, who headed our postal appeals in 2006.

All of our scientific advisers and the members of our grants panels voluntarily give their time to help ensure that we fund the very best science. Our thanks go to our 2006 grants panel: Professor Victor Hoffbrand (Chair), Professor Inderjeet Dokal, Professor Tariq Enver, Dr Thomas Erren, Professor Mel Greaves, Professor Denis Henshaw, Professor Irene Roberts and Professor Eric Wright.

We would like to thank the members of the Parliamentary Commission on Childhood Leukaemia and Electric and Magnetic Fields for all their work in raising awareness of this important issue in Parliament: Dr Howard Stoate MP (Chair), Dr Ian Gibson MP, Sandra Gidley MP, Nick Hurd MP and Michael Connarty MP.

We are grateful to our friends the Adamson Family, the Ayliff Family, the Beamond Family, the Fogarty Family, Eleanor Hines, Andy Jackson and other families and individuals who have shared their personal experiences of leukaemia to help others affected by the disease.

Once again, more than 1,000 volunteers helped make the Amazing Great Children's Party in July a resounding success. We are especially grateful to Hugo Amaya-Torres for continuing as Chairman of the Party Committee and to all of the Committee members who give up so much time to support the event. Special thanks go to Peter Snell and Clive Mascord. Thanks also to The Variety Club of Great Britain for inviting the children and organising their transport and to all the many suppliers who donate goods and services on the day.

A huge and heart-felt thank you to our Mr. Men and Little Miss runners who raised almost £3 million in 2006. Their commitment and enthusiasm before, during and after each run has been both inspiring and heart-warming. Space does not permit us to name everyone in the team but each and every runner is a star in our eyes. Our grateful thanks go also to those family, friends and colleagues who so generously offered their sponsorship and support. In addition, our special thanks go to Chris Meldrum, Jonathan Richards at LBC, Sonja Fitzpatrick, Drew Carroll, Mike Nicholson, Teresa David Martin, Cos and Stewart from Jerwood Space, Janet Donachie at Edward Thompson, Andrew Dale at the Millennium Hotel New York, Ellie Dayton at Total Travel New York, Judith Parke, Tony Ball, Tim Rogers at realbuzz.com, the team at Rocket, Clive Mascord, Kristie Svoboda, Peter and Josephine Snell, Richard Lewis and Adrienne Parry.

Individual volunteers and committees contribute a huge amount of time and enthusiasm to ensure the success of our special events, including Opera at Syon, the Captains Cup Tournament and Jeremy Beadle's Quiz Party. These events raised more than £300,000 in 2006. We are particularly grateful to Elizabeth, Duchess of Northumberland, Patron of Opera at Syon, and to Lady Julia Craig Harvey and Mrs Peter Hargreaves-Allen for continuing to co-chair the Opera committee. Our grateful thanks go to Holly Bellingham for chairing Jeremy Beadle's Quiz Party Committee in 2006 and to all the committee members, who contribute so much. Thank you also to Mick Keating for agreeing to take over as Chair of the Quiz Committee in 2007.

We are enormously grateful to: Caroline Randerson, whose Fire and Ice Ball raised £60,000 in 2006, bringing the total she has raised for the charity over the past 19 years to over £450,000; John Dewen and his team at JMD Specialist Insurance Services, who organised JMD's Quiz at The Tower; David Hatch, who organised a Greyhound Racenight at Coral Romford Stadium; Anne Ferguson, who organises the annual St. Trinian's Sponsored Walk from Wigan to St Helens; Nisa-Today's (Holdings) Ltd, who supported us through their Charity Gala Ball; John and Mary Fitzgerald, who organised a Claire Macdonald cookery demonstration in Cirencester; Robert Murphy who organised a cricket day; Gordon Moulds and the British Forces Falkland Islands; Kerry Michael and the Michael Aventis Charitable Trust.

Grateful thanks also go to the following individuals and companies that supported our events in 2006: Debenhams, Marketform, Small Luxury Hotels of the World, Star Diamond Co Ltd, Alan Walker of Walkers the Builders Merchants, Richard Harley of WH Cars, Grant Morgan of Louis Kennedy, Frank and Paddy Cronin, Richard Desmond, the Right Eye Christian Charitable Trust, Stephen Haines, Kevin Horkin, Andy Jackson, Ian Laken, Paul Saunders, Barry Teasdale, and William and Ali Ward.

In addition to those companies already acknowledged, we would like to thank: The Banks Group, Comms Dealer, Dunelm Mill, First Colour Printers, Jazzy Media, PricewaterhouseCoopers, RBS Insurance, Somerfield and TOPS. Special thanks go to Chorion and Carlton Cards.

We are grateful for the support we receive from charitable trusts and foundations, and would particularly like to acknowledge the following: the Madeline Mabey Trust, Annandale Charitable Trust, Michael Cornish Charitable Trust, Persian Punch Charitable Trust, the Kirby Laing Foundation, Alfred George Ker Trust, the Shotton Bequest, the Tolkein Trust, the Ratcliff Foundation and the G F Eyre Charitable Trust.

The charity is fortunate to receive the support of a number of volunteers who regularly give up their time to help in the office. In particular we would like to thank Maria Crace, Yvonne Dugera, Jane Keating and Carol Spraggs.

There are many, many others who have given invaluable support to CHILDREN with LEUKAEMIA in 2006. Space does not permit an exhaustive list but to each and every person and organisation that has contributed to our work we extend an enormous thank you.

This annual report and accounts is dedicated to the memory of Norman Buckler, who died on 2nd November 2006 while raising funds for our vital work.

## CHILDREN with LEUKAEMIA

Registered Charity No. 298405. Inaugurated in 1988 by Diana, Princess of Wales in memory of Jean and Paul O'Gorman

