

BREAKTHROUGH CANCER RESEARCH
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

BREAKTHROUGH CANCER RESEARCH

COMPANY INFORMATION

Directors	Breda O'Sullivan Dr. Declan Farrell Brendan Buckley (Appointed 20 November 2013)
Secretary	Dr. Declan Farrell
Company number	496464
Registered office	Glenlee, Western Road, Cork.
Auditors	Moore Stephens Nathans, Chartered Accountants & Registered Auditors, 83 South Mall, Cork.
Business address	Glenlee, Western Road, Cork.
Bankers	Allied Irish Bank Plc., College Road, Cork.
Solicitors	Ronan Daly Jermyn, 2 Park Place, City Gate Park, Mahon, Co. Cork.

BREAKTHROUGH CANCER RESEARCH

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BREAKTHROUGH CANCER RESEARCH

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

Principal activities and review of the business

The company, Cork Cancer Research Centre (also trading as Breakthrough Cancer Research), was established in March 2011 to undertake and manage fundraising activities and to encourage philanthropic support towards education, research and development in the field of cancer prevention, diagnosis and treatment.

Following the introduction of the Charities Act 2009 and the establishment of the Charities Regulatory Authority and given the increasingly public dimension to fundraising, the relevant stakeholders in the Cork Cancer Research Centre felt it was incumbent upon them to establish the Company as its fundraising arm, separate and distinct from University College Cork for public and event fundraising. Thus Cork Cancer Research Centre (CCRC) was registered with the CRO in March 2011 and thereafter granted charitable status (CHY19801), distinct from the Cork University Foundation (CUF) (CHY11831). Public campaign and event fundraising is driven by the CCRC and its national arm (Breakthrough Cancer Research) and philanthropic funds are brought in to the Centre both through CCRC and CUF.

The company changed its name to Breakthrough Cancer Research on 18th September 2014.

In 2013 significant funding was provided to fund staff, consumables & equipment in the following programmes in cancer research: Cell Death & Survival Mechanism, Gene Therapy (including Immunogenetherapy) and development of less invasive medical devices. Specific equipment for Tissue processing, staining and microscopy were purchased to support the Autophagy programme for Oesophageal, Lung and Ovarian cancers. Additionally, funds were specifically used to support the Gene Therapy, Immunogenetherapy and Medical Device programmes to replace equipment used in imaging of gene expression in vivo and cell sorting.

The company has also funded the treatment of patients with Electrochemotherapy, a non surgical technique for the treatment of skin based cancers offered upon referral at Mercy University Hospital.

Principal risk and uncertainty

The main risk facing the company is the financial risk associated with the nature of its revenue source being donations which are dependent on the prevailing economic climate and as such may fluctuate. In addition, recent revelations about some charities conduct has impacted the public confidence in the sector and may negatively effect support in the coming year. Other charities are already reporting a significant decrease in their fundraising revenues in the latter months of 2013.

In 2014 there will be additional investment into increasing Direct Marketing income including monthly donations to diversify the fundraising streams into the charity. An All-Ireland multi-pronged event in August 2014 is also placed a significant strain on staff and resources in 2014 but will lead to increased income in the short to medium term.

Post balance sheet events

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial period ended 31 December 2013.

Directors

The following directors have held office since 1 January 2013:

Breda O'Sullivan
Dr. Declan Farrell
Brendan Buckley

(Appointed 20 November 2013)

BREAKTHROUGH CANCER RESEARCH

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

Books of account

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account are maintained at Glenlee, Western Road, Cork.

In the employment of accounting personnel, the directors will consider whether such personnel:

- are suitably qualified,
- have the knowledge and experience needed to understand the business and how its particular circumstances impact the books of account,
- and are able, without undue difficulty to ascertain at all times the financial position and results of the company.

Auditors

In accordance with the Companies Act 1963, section 160(2), Moore Stephens Nathans, continue in office as auditors of the company.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising the Companies Acts 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

Breda O'Sullivan
Director

Dr. Declan Farrell
Director

11 November 2014

Date signed

BREAKTHROUGH CANCER RESEARCH

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BREAKTHROUGH CANCER RESEARCH

We have audited the financial statements of Breakthrough Cancer Research for the year ended 31 December 2013 which comprise the Income and Expenditure, the Balance Sheet, the Cashflow Statement, the Reconciliation of Movements in Members' Funds and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2013 and of its deficit for the year then ended ; and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2013.

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion, the information given in the directors' report is consistent with the financial statements.

BREAKTHROUGH CANCER RESEARCH

**INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF BREAKTHROUGH CANCER RESEARCH**

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

**John Callaghan
For and on behalf of,
Moore Stephens Nathans,
83 South Mall,
Cork.**

**11 November 2014
Date signed**

BREAKTHROUGH CANCER RESEARCH

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 €	2012 €
Incoming resources	3	1,310,184	1,462,128
Research and other direct costs (schedule 1)		(1,118,761)	(1,244,617)
Gross surplus		191,423	217,511
Administrative expenses (schedule 2)		(321,755)	(229,357)
Deficit on ordinary activities before taxation	4	(130,332)	(11,846)
Tax on deficit on ordinary activities	5	-	-
Deficit on ordinary activities after taxation		<u>(130,332)</u>	<u>(11,846)</u>

Continuing operations

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

Total recognised gains and losses

There are no recognised gains and losses other than those passing through the income and expenditure account.

The financial statements were approved by the board on 11 November 2014 and signed on its behalf by the following directors:

Breda O'Sullivan
Director

Dr. Declan Farrell
Director

BREAKTHROUGH CANCER RESEARCH

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 €	€	2012 €	€
Current assets					
Debtors	6	143,075		109,021	
Cash at bank and in hand		406,040		430,044	
		<u>549,115</u>		<u>539,065</u>	
Creditors: amounts falling due within one year	7	<u>(400,336)</u>		<u>(259,954)</u>	
Total assets less current liabilities			<u>148,779</u>		<u>279,111</u>
Capital and reserves					
Income and Expenditure Account			<u>148,779</u>		<u>279,111</u>
Members' funds	8		<u>148,779</u>		<u>279,111</u>

The financial statements were approved by the board on 11 November 2014 and signed on its behalf by the following directors:

Breda O'Sullivan
Director

Dr. Declan Farrell
Director

BREAKTHROUGH CANCER RESEARCH

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013		2012
	€	€	€
Net cash (outflow)/inflow from operating activities (Note A)	(24,004)		100,904
	-----		-----
Net cash (outflow)/inflow before management of liquid resources and financing	(24,004)		100,904
	-----		-----
(Decrease)/increase in cash in the year (Note B)	<u>(24,004)</u>		<u>100,904</u>

BREAKTHROUGH CANCER RESEARCH

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

A	Reconciliation of operating deficit to net cash outflow from operating activities		2013	2012
			€	€
	Operating loss		(130,332)	(11,846)
	(Increase) in debtors		(34,054)	(16,754)
	Increase in creditors within one year		140,382	129,504
			<u> </u>	<u> </u>
	Net cash inflow from operating activities		<u>(24,004)</u>	<u>100,904</u>
B	1 January 2013	Cash flow	Other non-cash changes	31 December 2013
	€	€	€	€
	Net cash:			
	Cash at bank and in hand	430,044	(24,004)	-
		<u> </u>	<u> </u>	<u> </u>
	Net funds	<u>430,044</u>	<u>(24,004)</u>	<u>-</u>
		<u> </u>	<u> </u>	<u> </u>
C	Reconciliation of net cash flow to movement in net funds		2013	2012
			€	€
	(Decrease)/increase in cash in the year		(24,004)	100,904
			<u> </u>	<u> </u>
	Movement in net funds in the year		(24,004)	100,904
	Opening net funds		430,044	329,140
			<u> </u>	<u> </u>
	Closing net funds		<u>406,040</u>	<u>430,044</u>
			<u> </u>	<u> </u>

BREAKTHROUGH CANCER RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements have been prepared on a going concern basis and in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Chartered Accountants Ireland and issued by the Accounting Standards Board.

1.3 Income

Income represents donations and fundraising proceeds receivable.

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Comparative Information

Some of the comparative expenses have been reclassified to make them more comparable with the final expense headings for the current year.

3 Income

The total income of the company for the year has been derived from its principal activity wholly undertaken in the Republic of Ireland.

Included in the income for the comparative period there is an amount of €620,000 in respect of donations received from the old unincorporated entity.

4 Operating deficit

2013

2012

€

€

Operating deficit is stated after charging:

Auditors' remuneration:

Audit fees

7,380

5,751

5 Taxation

The company has charitable status for taxation purposes and is therefore not subject to corporation tax.

BREAKTHROUGH CANCER RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

6 Debtors	2013	2012
	€	€
Trade debtors	143,075	109,021
	<u>143,075</u>	<u>109,021</u>
7 Creditors: amounts falling due within one year	2013	2012
	€	€
Trade creditors	386,671	251,313
Other creditors	6,284	-
Accruals and deferred income	7,381	8,641
	<u>400,336</u>	<u>259,954</u>
8 Reconciliation of movements in members' funds	2013	2012
	€	€
Deficit for the financial year	(130,332)	(11,846)
Opening members' funds	279,111	290,957
	<u>148,779</u>	<u>279,111</u>
Closing members' funds	148,779	279,111
	<u>148,779</u>	<u>279,111</u>

9 Employees

There were no employees during the period. The payroll cost included in the accounts is the payroll cost which was recharged from UCC.

10 Legal status of the company

In accordance with Section 24 of the Companies Act 1963, the company is exempt from including the word "Limited" in its name. The company is limited by guarantee (€1 per member) and has no share capital.

11 Restricted Funds

The company received restricted funds during the current period. The cumulative balance of restricted funds at the end of 2013 was €136,532 (2012: €172,390).

BREAKTHROUGH CANCER RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

12 Approval of financial statements

The financial statements were approved by the Board of directors and authorised for issue on 11 November 2014.

BREAKTHROUGH CANCER RESEARCH

SCHEDULE NO 1: RESEARCH & OTHER DIRECT COSTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	€	€
Research and other direct costs		
Direct research cost	249,886	443,770
Research payroll cost recharged	407,675	597,206
Student fees	34,700	33,785
Challenges & Events Costs	80,929	122,842
Campaign Costs	2,047	2,567
Community Costs	1,084	1,108
Corporate costs	2,182	-
Major Gift Costs	4,961	-
Direct Marketing Costs	313,088	43,339
Fundraising Costs	22,209	-
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	1,118,761	1,244,617
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SCHEDULE NO 2: ADMINISTRATION EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	€	€
Administration expenses		
Payroll cost recharged	174,840	110,907
Intern Stipend	17,100	-
Rent & rates	15,341	-
Insurance	5,489	3,067
Merchandise for resale	2,590	6,866
Light and heat	5,089	5,653
Printing, postage and stationery	17,645	10,745
Advertising, Promotion & PR	33,277	36,000
Computer running costs	4,843	5,821
Telephone	9,533	7,325
Motor & travel	5,793	23,680
Catering and room hire	1,180	5,292
Legal and professional fees	3,537	5,611
Consultancy fees	6,858	-
Subscriptions	1,775	-
Audit fees	7,380	5,751
Bank charges	3,232	1,410
Sundry expenses	6,253	1,229
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	321,755	229,357
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