

Annual Report and Accounts

for the year ended 31st March 2010

Reference and administrative details

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Registered company number: 02653887

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Report of the Council

Introduction

The Members of the Council ('The Trustees') of The Prostate Cancer Charity ('the Charity'), who are also Directors of the Charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31st March 2010.

The Charity is a charitable company limited by guarantee and was set up on 14th October 1991. It is governed by its Memorandum and Articles of Association, amendments to which were approved by Special Resolution on 20th November 2008 to take account of changes introduced by the Companies Act 2006. The Charity will continue to review its governance arrangements to ensure that they are appropriate for a rapidly developing organisation.

This report provides information on the Charity's activity and financial performance. It forms part of a range of public information designed to give an open account of the Charity's work.

Objects

The Charity's objects, set out in its Memorandum and Articles of Association, are to invest in prostate cancer research and to publish useful results, to provide information and support to people affected by prostate cancer and their families, and to raise public awareness of prostate cancer and its symptoms.

The Charity maintains a balance between research (seeking future solutions to prostate cancer) and support, information and campaigning (providing help for the tens of thousands of men and their families affected by prostate cancer now). This forms the Charity's unique contribution and is key to developing our work and impact.

Public benefit

We have considered the Charity Commission's guidance on public benefit when reviewing our aims and objectives and in planning future activities.

The public benefit of the Charity is in mitigating the effect of prostate cancer in the United Kingdom. Our strategic aims set out below and all of the Charity's activities are designed to achieve this benefit.

The beneficiaries of our work are men and their families – reached either directly or through healthcare professionals. Those who have benefited from our services are detailed in the review of activities. Our service is open to all men in the United Kingdom and their families, without charge.

As a result of the above, the Trustees consider that The Prostate Cancer Charity clearly satisfies the public benefit test.

Our vision and mission

The Charity's vision and mission statements are used extensively in explaining and promoting our work:

Vision – "A world where lives are no longer limited by prostate cancer"

Mission – "Fighting prostate cancer on every front – through research, support, information and campaigning"

Our principles and values

The Charity will pursue the following principles and values in achieving its strategic aims:

- Ensuring that people affected by prostate cancer are at the heart of all we do and are systematically involved in all our work
- Adopting innovative and creative approaches in tackling prostate cancer
- Preserving integrity and independence in all we say and do
- Ensuring that our public positions and priorities are well informed and defensible
- Seeking opportunities for partnership working, both as an expression of a collaborative attitude and to avoid duplication of effort or unhelpful competition
- Modelling good practice to other organisations
- Influencing other organisations to pursue positive programmes of action on prostate cancer

Our strategic goals

All of the Charity's work is driven by the priorities set out in its strategy, 'Transforming the future for prostate cancer'. This strategy is based on five high level goals which specify the key changes we want to see achieved in the prostate cancer 'landscape' by 2020. These goals are underpinned by clear targets against which we can measure progress and by the Charity's organisational strategy for 2008-14:

- **Goal 1** – Significantly more men will survive prostate cancer
- **Goal 2** – Society will understand the key facts about prostate cancer and will act on that knowledge
- **Goal 3** – African Caribbean men and women will know more about prostate cancer and will act on that knowledge

- **Goal 4** – Inequalities in access to high quality prostate cancer services will be reduced
- **Goal 5** – People affected by prostate cancer will have their information and support needs addressed effectively

These goals can only be achieved when everyone concerned – people affected by prostate cancer, charities, healthcare professionals, the NHS, researchers and supporters – moves in the same direction with a sense of united purpose. As the UK's leading charity working with people affected by prostate cancer, The Prostate Cancer Charity has a responsibility to act as a catalyst in mobilising the resources of the wider community in achieving the 2020 goals.

The Charity will act in three modes in delivering its strategy:

- Direct provision of services and research funding
- Partnership working
- Lobbying others to achieve what needs to be done

Review of activities and plans for the future

During 2009/10, despite continuing difficulties in the wider economy, the Charity once again saw a very significant increase in income and was able to invest in projects which themselves provide the basis for future growth in the Charity's income and profile. We are very fortunate to have experienced unbroken increases in annual income since the Charity was founded in 1996 – reflecting a growing public belief that prostate cancer as a cause merits greater attention.

A key contribution to the financial success of the last year was the Movember, moustache-growing, men's health campaign. This was the third year in which The Prostate Cancer Charity benefited from this campaign as the exclusive charity partner of the Movember Foundation in the UK. Not only did the campaign generate nearly £6 million in income in 2009/10, but it has also been hugely successful in raising the profile of prostate cancer in a much younger age group – men and women in their twenties and thirties.

In the light of the adverse economic climate, a more conservative view of developments was taken, at the planning stage, than previously. Our aim was to grow income as far as possible in 2009/10, while adopting a broadly 'steady state' approach on the expenditure side (with the exception of significant new investment to enable the Charity to become the exclusive charity partner of the professional cycling event, 'The Tour of Britain').

The emphasis was on maximising the return on investment already agreed by the Board in previous

budget rounds and creating a stable and motivated employment environment.

Set out below is a review of what we intended to do in 2009/10 and what we actually achieved. Our plans for 2009/10 are set out against the goals of the Charity's strategy, 'Transforming the future for prostate cancer'.

Goal 1 – by 2020, significantly more men will survive prostate cancer

We said we would:

- Implement successfully and promote the Charity's third fully-competitive, peer-reviewed research funding round and launch the fourth call for proposals
- Further develop the Charity's research strategy, enabling research investment to have maximum impact
- Evaluate the progress achieved through the funding of projects under the current research strategy and communicate this effectively to the public
- Engage with the wider research community, both in the UK and internationally, to examine the scope for collaborative research funding

In 2009/10 we:

- Managed and fostered relationships with grant holders and featured the Charity's research programme prominently in information to supporters and on the website
- Funded the Charity's largest ever grant round, to a value of £1,638,000. Grants were awarded to the University of Leeds, the University of Ulster, the University of Oxford, the Institute of Cancer Research, University College London, the University of Bristol, Queen's University Belfast and the University of Newcastle. One of the two grants made to Queen's University Belfast was awarded as part of a joint programme between the Charity and the Northern Ireland Public Health Agency. Details of the grants are available on the Charity's website
- Allocated a budget of £150,000 to develop and commission one or more survivorship projects from an academic partner(s) during the course of 2010/11. This will be designed to address specific priority questions determined by the Charity as important to men with prostate cancer and their families
- Developed a brief for evaluating the impact of the entirety of the Charity's medical and survivorship research funding to date (in excess of £9 million)

- Further developed the Charity's research strategy, targeting particular areas of interest and setting out clear objectives for its research programme. This strategy will be approved and published in 2010/11
- Explored, through a visit by the Charity's Chief Executive to the United States of America and Canada, the scope for international collaborative research funding in particular areas of key importance in tackling prostate cancer

In 2010/11 we will:

- Approve a new research strategy for the Charity, targeting particular areas of interest and setting out clear objectives for its research programme
- Launch the fifth fully-competitive, peer-reviewed call for research proposals, framed clearly within the Charity's new research strategy and to a value of a minimum of £1.75 million, seeking opportunities for joint funding where appropriate
- Complete a review of the impact of the totality of the research funded by the Charity to date and publish key findings
- Encourage high quality survivorship research by holding a workshop for researchers operating in this field, followed by the award of up to £150,000 for the conduct of targeted and rigorously assessed research activity
- Apply to become a member of the National Cancer Research Institute, having achieved the minimum requirement of an annualised research spend of £1 million per annum
- Collaborate closely with the Movember Foundation in securing effective international research collaboration in key areas of interest to prostate cancer

Goal 2 – by 2020, society will understand the key facts about prostate cancer and will act on that knowledge

We said we would:

- Develop an overarching awareness strategy for the Charity, to act as a framework for individual campaigns
- Evaluate the Charity's first Prostate Cancer Awareness Month, with its new awareness campaign, 'it matters', and run Prostate Cancer Awareness Month 2010, taking into account key learning from the first event
- Use all the Charity's communication channels and activities, including fundraising, media,

marketing, service provision and campaigning, to achieve greatest impact in raising awareness of prostate cancer

- Strengthen the Charity's marketing communications function, ensuring that awareness campaigns and messages are effectively integrated and systematically promoted on all communications channels
- Identify and commission the first stage of a programme of market research to monitor progress in achieving the Charity's targets for awareness raising
- Use effectively the skills of the Charity's trained volunteers, as part of the National Volunteer Programme, in raising awareness of prostate cancer in local communities across the UK

In 2009/10 we:

- Commenced work on a brand review for the Charity, leading to the planned development in 2010/11 of an integrated communications and awareness strategy
 - Evaluated Prostate Cancer Awareness Month 2009, leading to a more integrated Prostate Cancer Awareness Month 2010 (March) across key activities, including awareness raising, service provision, marketing communications, media and PR, fundraising and parliamentary campaigning
 - Executed high profile campaigns on a cross-Charity basis, ensuring that fundraising and awareness raising opportunities were maximised – including Prostate Cancer Awareness Month, Movember and the Tour of Britain
 - Strengthened the Charity's marketing communications function, ensuring greater consistency in communication of messages and presentation of the Charity
 - Maximised the role of media in raising awareness of prostate cancer and of the Charity – approximately 50% of all media mentions of prostate cancer reference The Prostate Cancer Charity
 - Commissioned 'i to i research', a brand communications research consultancy, to monitor progress in achieving the Charity's targets for awareness raising
 - Delivered a large number of awareness talks through the Charity's trained volunteers, as part of the National Volunteer Programme
- ### In 2010/11 we will:
- Carry out a brand review, leading to the development of an integrated communications

and awareness strategy, providing a framework for the delivery of individual campaigns and programmes. Preparations will have been made for a paid-for advertising campaign which will be tested in a particular area or using a specific medium in 2010/11 or 2011/12

- Fully evaluate Prostate Cancer Awareness Month 2010 along all dimensions of internal and external impact, leading to even greater success in Prostate Cancer Awareness Month 2011
- Use all the Charity's communication channels and activities, including fundraising, media, marketing, service provision and campaigning, to achieve greatest impact in raising awareness of prostate cancer and strengthening brand awareness
- Develop a UK-wide strategy for volunteering, ensuring that the value of volunteers can be maximised in the most cost effective way in raising awareness of prostate cancer in local communities across the UK

Goal 3 – by 2020, African Caribbean men and women will know more about prostate cancer and will act on that knowledge

We said we would:

- Deliver targeted awareness raising campaigns to African Caribbean communities and evaluate their impact
- Develop a new strategic approach to the Charity's work with African Caribbean communities, setting direction for the coming years, and identify the initial resources required
- Integrate the Charity's work with African Caribbean communities across all its activities and communication channels, including fundraising, media, marketing, service provision and campaigning, to achieve greatest impact in raising awareness of prostate cancer
- Develop plans for assessing the extent to which services, including services provided by the Charity as well as the NHS, are culturally sensitive and appropriate for people from the African Caribbean community who are affected by prostate cancer

In 2009/10 we:

- Delivered a programme of awareness raising work to African Caribbean communities in London, the West Midlands and the South West of England
- Trained 11 volunteers from the African Caribbean

community in three London Boroughs to deliver awareness raising talks, as part of the 'Older and Wiser' project and commissioned an external evaluation of the project

- Ensured that messaging on the increased risk of prostate cancer in African Caribbean men was incorporated into all relevant communications
- Commissioned a literature review of health messaging and communication in African Caribbean communities
- Commenced the process of building an evidence base for a strategic approach to raising awareness of prostate cancer in African Caribbean communities, though progress was slower than anticipated

In 2010/11 we will:

- Develop a strategy for the Charity's work with African Caribbean communities, drawing on our established evidence base, setting direction for the coming years, and identifying the required resources
- Ensure that the Charity's work with African Caribbean communities is demonstrably integrated across all of its activities and communication channels, including fundraising, media, marketing, service provision and campaigning, to achieve greatest impact in raising awareness of prostate cancer
- Deliver further targeted awareness raising campaigns for African Caribbean communities which demonstrate positive impact
- Develop plans for assessing within 2010/11 and 2011/12 the extent to which services, including services provided by the Charity as well as the NHS, are culturally sensitive and appropriate for people from the African Caribbean community who are affected by prostate cancer

Goal 4 – by 2020, inequalities in access to high quality prostate cancer services will be reduced

We said we would:

- Collaborate with other charities, particularly through the Prostate Cancer Charter for Action and Cancer Campaigning Group, in lobbying with a common voice for NHS service improvements
- Launch the Charity's first, integrated lobbying campaign – to improve the support and the service delivery arrangements for men undergoing hormone therapy for prostate cancer

- Engage with Government and the NHS in monitoring the quality of service to men affected by prostate cancer and their partners/families, particularly through the National Cancer Patient Experience Survey Programme
- Maintain and develop the Charity's work with healthcare professionals and deliver a further educational event, in Scotland, for healthcare professionals with an interest in prostate cancer

In 2009/10 we:

- Continued our collaborative work with other charities to lobby with a common voice for NHS service improvements. The Charity's Chief Executive has taken on the role of Chair of the Prostate Cancer Charter for Action for 2010
- Launched at the House of Commons the Charity's first, integrated lobbying campaign, 'Hampered by Hormones?' – setting out recommendations for improvement in the support and service delivery arrangements for men undergoing hormone therapy for prostate cancer. The report has been referenced in the strategy of the Government's National Cancer Survivorship Initiative
- Took part, as a member of the NHS Cancer Patient Experience Advisory Group, in the development of the next national cancer patient experience survey, planned for late 2010
- Invited all prospective parliamentary candidates for the General Election to support the Charity's Pledge for Prostate Cancer, seeking to increase investment in prostate cancer research and to reduce social and geographical inequalities in access to the best services and support. A growing number of elected MPs are endorsing the Pledge
- Extended our network of healthcare professional contacts and our interaction with them, and delivered an oversubscribed Prostate Cancer Education Day in May 2009, attracting 160 delegates from across Scotland, mainly from primary care

In 2010/11 we will:

- Develop and launch a campaign to enable 'universal informed choice' across the UK for men in accessing the PSA test – in response to the anticipated recommendations of the UK National Screening Committee on prostate cancer screening
- Continue to campaign for acceptance of the recommendations and findings of the 'Hampered by Hormones?' campaign, launched in 2009
- Seek growing acceptance by MPs of the Charity's 'Pledge for Prostate Cancer', positioning the

Charity in politicians' minds as the leading source of advice and influence on prostate cancer issues

- Increase our strategic work with the NHS and healthcare professionals – appointing a new Head of Health Service Liaison for the UK and a Health Service Liaison post in Scotland, extending our healthcare professional education programme (including a Master Class for specialist practitioners working in prostate cancer), widening our network of healthcare professionals and developing strategic links with key healthcare bodies

Goal 5 – by 2020, people affected by prostate cancer will have their information and support needs addressed effectively

We said we would:

- Implement the 2009/10 stage of the Charity's Information Strategy (subject to the availability of resources), ensuring the development of new information materials and the update of existing materials
- Work with the NHS to offer every man with a prostate cancer concern, throughout his journey, access to support and information provided by The Prostate Cancer Charity
- Use all channels, including the media and companies with which we work, to ensure that people affected by prostate cancer receive our information and are aware of our services
- Review the Charity's position on the PSA test and prostate cancer screening in light of recently published results of two major international trials of screening
- Campaign, particularly through the Prostate Cancer Charter for Action, for increased provision of clinical nurse specialists within the NHS – seeking to ensure that the ratio of clinical nurse specialists to numbers of men diagnosed with prostate cancer is increased to match the best of provision for other common cancers

In 2009/10 we:

- Implemented the 2009/10 stage of the Charity's Information Strategy with the production of new, and updating of existing, leaflets
- Worked with the NHS, particularly through the Information Prescriptions and Information Accreditation programmes, to ensure that the Charity's information achieved the NHS quality 'kitemark' and was made available, in electronic

format, as part of the patient pathways of the Information Prescriptions pilot. The Charity was accredited by the Information Standard in November 2009

- Used all available opportunities to make relevant information available to the public and to make them aware of our services, for example, by information distribution at events
- Reviewed the Charity's policy on PSA testing for men without symptoms of prostate cancer (in light of the results of European and North American trials), developing a new position of 'universal informed choice' in access to the test. Evidence gathered to inform this position was presented to meetings of the UK National Screening Committee and of the Government's Prostate Cancer Advisory Group
- Included in the Charity's new 'Pledge for Prostate Cancer' a call for increased provision of clinical nurse specialists within the NHS for men with prostate cancer

In 2010/11 we will:

- Implement the 2010/11 stage of the Charity's Information Strategy, ensuring the development of new information materials and the updating of existing materials
- Continue to work with the Government's Information Prescription and Information Accreditation programmes to maximise access, through NHS channels, to the Charity's information services
- Use all the Charity's communication channels to ensure that people affected by prostate cancer receive our information and are aware of our services
- Develop a strategy for raising the profile of prostate cancer within primary care and for ensuring the provision of relevant information on prostate cancer within this sector of the NHS

Additional to the objectives related to the Charity's five strategic goals, there are two other important objectives for the Charity's work – relating to Scotland and to internal development. These are set out below:

Scotland

We said we would:

- Integrate the Scotland volunteer-led outreach programme into the UK-wide Volunteering Programme, ensuring that Scotland-based volunteers are fully utilised and supported

- Expand the geographical reach of the volunteer programme in Scotland into new areas of the country (subject to the availability of resources)
- Commence influencing work with the Scottish Government in relation to Better Cancer Care, in particular through collaborative working with other charities, relationship building, and responding to Scottish Government consultations as appropriate
- Develop a clear Scotland fundraising strategy and make available the necessary resources to deliver the strategy

In 2009/10 we:

- Integrated the Scotland volunteer-led outreach programme into the UK-wide Volunteering Programme and recruited new volunteers to enable the Charity's awareness raising and peer support arrangements to be extended into the East of Scotland
- Maintained our policy and campaigning influence in Scotland, ensuring that a Scotland dimension was reflected in UK-wide campaigns
- Agreed a new strategy for developing the Charity's work in Scotland, with a commitment to substantial new investment to underpin this
- Recruited a new Trustee with particular responsibility for Scotland, Professor Hing Leung

In 2010/11 we will:

- Implement revised organisational and fundraising strategies, to achieve the status of the leading voice for prostate cancer in Scotland. This will be delivered through an augmented staff team and a strategic development board (comprising individuals drawn from key sectors of commercial and public life) – enhancing the profile and impact of the Charity
- Seek to work closely with other relevant charities in Scotland in pursuing our objectives
- Extend the geographical reach of the volunteer programme in Scotland – leading to enhanced profile and 'on the ground' presence for the Charity
- Aim to enhance the Charity's influencing work with the Scottish Government, in particular through collaborative working with other charities, relationship building, and responding to Scottish Government consultations as appropriate
- Complete merger discussions with another prostate cancer charity in Scotland where there appear to be mutual benefits

Internal development

We said we would:

- Carry out an anonymous survey of employee views on working for the Charity, aiming to demonstrate further enhancement in satisfaction compared with previous surveys
- Implement improvements in the Charity's policies and practices to support and equip its people – paid staff and volunteers – and strengthen its systems, in particular database functionality and support
- Commence implementation of a scoped and phased knowledge management programme designed to maximise the use of the Charity's knowledge
- Effectively launch and manage a risk management programme for the Charity, integrating this increasingly into business planning and reporting
- Investigate and reach a decision on the case for implementing an organisation-wide quality accreditation scheme
- Develop a supporter care strategy that allows the Charity to provide the best possible supporter experience

In 2009/10 we:

- Carried out the third Working Culture Survey showing across the board improvements in staff satisfaction ratings compared with 2007
- Approved a new HR strategy, developed further the Charity's framework of HR policies, strengthened our emphasis on training, and implemented a new job evaluation system to provide a fair and transparent system for remuneration of individual posts
- Undertook further work to implement the recommendations of a review of the Charity's database, enhancing its functionality and accuracy
- Undertook the first phase of a new, three-year knowledge management programme, including scoping of a new website and selection of website agency partner
- Ensured that the risks facing the Charity were systematically identified and regularly reviewed by the Senior Management Team and the Finance and General Purposes Committee. Risk assessment was also undertaken as an integral part of the business planning for 2010/11
- Undertook preliminary work to identify a suitable organisation-wide quality accreditation scheme (with a final decision to be taken in 2010/11)

- Prepared a supporter care strategy to be fully implemented in 2010/11

In 2010/11 we will:

- Finalise and implement the new Working Culture Action Plan, developed in response to the 2009 Working Culture Review – further improving employee satisfaction in working for the Charity (as measured in the Working Culture Review 2011)
- Implement improvements in policies, practices and systems (particularly database functionality and support) to equip the Charity's employees to undertake their work in a motivated and effective way
- Implement the second phase of the three-year knowledge management programme, designed to maximise the capture, development and use of the Charity's knowledge assets – including the redevelopment of the Charity's website, the introduction of an intranet, and an audit of our internal business processes, culture and communications in the light of knowledge management needs
- Make substantial progress in implementing an organisation-wide quality accreditation scheme
- Implement a 'customer' care strategy, equipping the Charity to provide the best possible experience for people using our services, for donors, supporters and other key stakeholders
- Implement a coherent programme of evidence gathering to monitor achievement of the targets set out in the Charity's strategy, 'Transforming the future for prostate cancer', and to underpin all of our work

Donors and volunteers

We are enormously grateful to all those – individuals, groups, trusts and companies – who have given so generously during the year.

We are also indebted to the many volunteers who have played such a crucial role in supporting the Charity – whether by talking to the media or to men newly diagnosed with prostate cancer, providing awareness talks or helping the Charity to develop in many other ways. In particular, we thank our loyal and extensive group of Media Talkers, our information reviewers, our growing network of trained volunteers and our 'Head Office' volunteers who have helped us to support the many aspects of the Charity's work.

We very much appreciate the time given by members of the Prostate Cancer Voices scheme – people affected by prostate cancer who contribute their views,

opinions and experiences to influence the development of our services and campaigning.

We would particularly like to acknowledge the help provided by David Pirnie in expertly facilitating a number of consultation events during the course of the year.

Our Ambassadors are influential supporters, from across a wide range of industries and regional areas, who work on a voluntary basis, helping the Charity forge fundraising relationships and raise awareness of prostate cancer. Their involvement is highly appreciated.

We also receive generous contributions from a variety of organisations in the form of pro bono services, included in the accounts as 'donated services'. In 2009/10, these included support from Kemps Publishing, Metro, Time Out and Marks and Spencer and specialist tax and trading company advice from Bill Lewis at Bates Wells and Braithwaite.

Financial review

Total income in 2009/10 reached £11,441,000 – an increase of £3,620,000 (46%) over 2008/09. This continues the strong growth trend seen in the prior year (which increased by 29%), even allowing for the impact of the recession on several income streams.

Total expenditure in 2009/10 reached £9,072,000, an increase of £1,929,000 (27%) over 2008/09. This consisted largely of an increase of £1,150,000 (26%) in charitable activity and £755,000 (30%) in the costs of generating voluntary income which has reaped returns in increased income.

The Charity operates a wholly owned subsidiary trading company – Prostate Cancer Trading Ltd – which administers all its trading activity. In 2009/10, trading income grew significantly, primarily due to the sales of our 'Hidden Cancer' themed pens in Marks and Spencer stores during March 2010 (other (commercial sales included Christmas cards and income from licensing agreements with corporate partners). Total income for the year was £148,000, with associated expenses of £116,000 (compared to £57,000 of income and £50,000 of expenses in 2008/09). These costs include a proportion of fundraising and administrative staff time. The net profit of £32,000 will be gift aided to the Charity.

The investment portfolio held by the Charity saw a rise of £491,000 in its value, albeit unrealised. Excluding this movement in investment value, the Charity achieved an overall surplus for the year of £2,369,000, compared to £678,000 in 2008/09. Total funds carried forward at the year-end stood at £5,927,000 compared with an opening balance of £3,067,000 at the beginning of the year. These funds will be used to finance a further expansion of the Charity's charitable activity in

2010/11, as well as ensuring that our growing research commitments of £3,037,000 can be met.

Fundraising

A budgeting process was adopted for 2009/10 based on 'core' and 'stretch' fundraised income targets – to ensure effective management of risk. Expenditure plans were predicated on achievement of the lower, core target.

The core fundraised income target (excluding donated services, investment income and interest) for the year was £8,833,000. An actual outcome of £11,398,000 was achieved. In addition to this, a further £21,000 was received in donated services and £22,000 in interest and dividends.

The proportion of income which is unrestricted – allowing greater freedom in use – was comparable to 2008/09 at 92% (up from 91% in 2008/09).

The net contribution (income less costs) for fundraised income in 2009/2010 was £8,029,000 which is a £2,924,000 increase on the figure for 2008/2009 of £5,097,000. The return on investment ratio (£ generated for each £ invested) is therefore 3:38:1, compared to 3:00:1 for 2008/2009. This is in line with market rates especially for a charity with low legacy income.

The structure of the Fundraising Team has been further reviewed over the past year, bringing income streams under the focused management of three senior managers – Individual Giving, Community Fundraising and Partnerships. Strong emphasis has been placed on adopting an integrated approach to fundraising across the various teams, maximising synergies and opportunities.

For the third year, our flagship fundraising partnership campaign was **November**, accounting for £5,846,000 of our total income (up from £2,397,000 in the previous year). The moustache growing event – held in November each year – has once again exceeded all expectations. It attracted 45,000 supporters, particularly in the 25-35 age group, with men growing moustaches to raise an average of over £110 each and, at the same time, significantly raising the profile of prostate cancer.

At the end of 2009/10, a new four-year Fundraising Strategy was approved by Trustees. The new strategy covers the period 2010/11 – 2013/14 and presents an updated plan to achieve the previously agreed target of £20 million by 2013/14. At its core, the new strategy sets out to build on what has been achieved to date, but places greater emphasis on efforts to secure new supporters through proactive pitches and formal written applications. It seeks to ensure a broad portfolio of income streams, aiming to avoid over reliance on any particular source of income and to spread risk.

Direct marketing – Income for the year rose by 2% at £1,484,000, compared to £1,461,000 in 2008/09.

The recession has had a very significant negative impact on regular giving across the voluntary sector. Latest market data suggests that an average fall of approximately 10% has been experienced. In the light of this, the small growth that the Charity achieved is a positive outcome, particularly as it was accompanied by a 10% reduction in expenditure.

The higher level donor programme continues to be very successful, with less than 1,000 regular donors contributing 80% of total direct marketing income.

Community fundraising – Income in 2009/10 rose dramatically by 95% or £3,657,000 compared with 2008/09 (including Movember income, but excluding sales from the Trading Company).

Community fundraising encompasses a wide range of income sources, including from sporting and challenge events, clubs and individual and group fundraising efforts.

A major new development in 2009 was the launch of the Charity's partnership with the professional cycling event, 'The Tour of Britain'. The partnership, in which the Charity sponsors the blue points jersey for the most consistent rider performance, provides a good opportunity not only to raise income for the Charity but also, equally importantly, to increase very significantly public awareness of prostate cancer.

In the first year of the partnership, hundreds of thousands of individuals across the UK became aware of the partnership and of prostate cancer as a cause – as participants in the Charity Tour Rides in Stoke and London, as spectators of these events and of the professional Tour of Britain itself or as viewers, listeners and readers of media coverage of these events.

Although income generated was below budget, a strong platform has been laid for the future, and we are moving into the second year of the partnership with confidence that income levels can be increased and that costs will be reduced.

Trusts – Income in 2009/10 was £466,000, an increase of £58,000 (14%) compared with the previous year.

The Charity continues to benefit from a generous donation from The Mike Gooley Trailfinders Charity for its research programme, specifically two Trailfinders Studentships. Additionally, we have secured support from The Milly Apthorp Charitable Trust who have committed £300,000 over two years to support our research programme and from The Headley Trust, who have committed £70,000 over two years to support our volunteering programme.

Corporate partnerships – Income increased by 23% in 2009/10 to £872,000 (excluding income shown within the trading company).

The 2009/10 Marks & Spencer partnership raised over £200,000 in total, including over £100,000 through our trading company. Income was generated by employee fundraising during Prostate Cancer Awareness Month (March 2010). Additionally, the Charity generated income through cause-related marketing activity via sales of trolley tokens and pens, plus a percentage of income from sales of men's underwear in the Autograph range during the campaign. The partnership is used to part-fund the Charity's Helpline service.

The continuing high-profile partnership with Marks & Spencer is not only a strong contributor to the overall income figure, but also provides credibility to the Charity in its work with other leading businesses. We have benefitted from the support of Sharp Electronics this year and this will continue into next year. We have also secured a two-year Charity of the Year partnership with Keyline Builder's Merchants, who are part of Travis Perkins, and a three-year partnership with Alliance Healthcare – part of Alliance Boots.

Legacies – Income from this source was £653,000, up from £424,000 in 2008/09 (an increase of 54%).

Legacy giving remains an important source of income for the Charity, giving our supporters the opportunity to make a long-term difference to men with prostate cancer and their families. We have embarked upon a legacy marketing investment programme as one element of the new fundraising strategy.

Major gifts – Income fell by 55% from £87,000 in 2008/09 to £39,000 in 2009/10. The impact of the prevailing market conditions make this year's results significantly lower.

The Charity has a strong network of Ambassadors who are being given opportunities to introduce the Charity to potential wealthy donors. Cultivation events held during the year included a dinner with Sir John Major. This and future cultivation events will, over time, help the Charity to promote its work to an increasing range of business leaders and wealthy individuals.

Events – Very little income was generated from major events, because the Charity reduced its programme, based on the negative impact of the recession.

Gala events have been cancelled right across the sector. To avoid unnecessary risk, the Charity did not host any high-scale parties or balls. A successful Christmas concert was held however, and this generated over £5,000 and will be built upon in future years.

Investments

After two successive difficult years, the total value of investments held by the Charity rose by £491,000 (33%) from £1,487,000 at 31st March 2009 to £1,979,000 at 31st March 2010. However, market conditions remain volatile in 2010/11. Our major investments were with CCLA.

Reserves policy

The Charity's reserves policy is as follows:

"The Board of Trustees state that the purpose of free reserves is to ensure uninterrupted services and delivery of the Charity's objectives regardless of short to medium term fluctuations in patterns of income and expenditure or unforeseen financial burdens. A minimum level of free reserves of three months' unrestricted expenditure is required to achieve this. This includes provision for meeting key contractual obligations. The minimum free reserves requirement will be calculated on a quarterly basis and monitored on a monthly basis. Excess reserves may be used to fund increases in expenditure in order to achieve the Charity's objectives subject to agreement by the Board of Trustees."

This policy was agreed by the Board of Trustees in March 2008 and will be reviewed periodically as required.

The level of free reserves at the balance sheet date is £5,424,000 at April 2010. This primarily reflects the Charity's anticipated cash flow position, with income from the Movember fundraising campaign received late in the financial year, coupled with our prudent approach to spending in the current turbulent economic climate. These reserves represent 5.1 months of unrestricted expenditure at 2010/11 levels, given the further growth of the Charity, and are projected to return to policy levels of three months by October 2010.

Disclosure of custodian arrangements

The Charity is custodian of funds for two additional schemes: namely the Prostate Cancer Charter for Action and the UK Prostate Link Project. The Charter is a collaboration of voluntary and professional bodies with an interest in tackling prostate cancer. UK Prostate Link is a multi-agency funded project to support the running of a national prostate cancer website portal – an initiative of The Prostate Cancer Charter for Action and Prostate Cancer Advisory Group.

Risk assessment

The Trustees and senior managers continue to review the risks facing the Charity and have taken a number

of steps to mitigate these. The Charity undertook a detailed review of its strategic risks as part of the current six-year strategic planning exercise, in order to develop a general risk management framework. A risk register identifies all key risks facing the Charity, graded according to their likelihood and impact and identifies mitigating actions to manage them.

The register is reviewed by the Senior Management Team on a regular basis and by Trustees at each meeting of the Finance and General Purposes Committee. Any 'red light' issues are brought to each meeting of the Board of Trustees.

Some of the significant risks facing the Charity, and actions taken to manage them, are as follows:

- Research grants awarded by the Charity are reviewed annually, enabling any difficulties to be identified at an early stage. The Charity also only awards grants after a thorough international peer-review assessment process
- The Charity has continued to adopt a fundraising approach based on a prudent mix of high return donations (e.g. from major donors) and sustainable sources (e.g. direct marketing) – maximising income potential and spreading risk. This approach underpins the Charity's Fundraising Plan – an auditable document setting out detailed programmes for the strategic growth of income. This new, four-year Plan was agreed during 2009/10 for the period to 2013/14 and seeks to ensure an effective balance of income sources and to avoid over reliance on any particular income stream
- An annual budget is debated and approved by Trustees and forms the basis for financial monitoring. Income targets are set at 'core' and 'stretch' levels. Budgeted expenditure is based on the more cautious, 'core' income budget. Re-forecasting of financial performance takes place twice a year, enabling any emerging difficulties to be identified early and effectively managed. The re-forecasting also includes an explicit statement on risks. Financial review is undertaken by the Finance and General Purposes Committee on behalf of the Board, but the Board itself also receives reports on financial performance. The Senior Management Team regularly monitors financial performance, provides regular reporting narrative to Trustees and invites ongoing questioning
- Explicit delegated authority arrangements have been agreed by the Trustees for the commitment of resources. These have been developed following the identification of risk to the Charity in relation to different types of commitment. Delegation limits were last reviewed and amended in 2008/09 in line

with the needs of a rapidly growing organisation. They will be further reviewed over the coming year

- The Charity's human resources are its key asset. It has continued to implement an extensive organisational development action plan to ensure that staff are well equipped and supported in undertaking their work and has also approved a comprehensive HR strategy
- Work has continued on business continuity planning to ensure that business can be maintained in the event of the loss of the Charity's main offices or significant services. This has taken a little longer than anticipated, but will be completed in 2010/11
- Finally, the systematic capture and use of information and knowledge are critically important to the Charity's success. A three-year knowledge management programme to address this issue is currently being implemented

Governance and management

Overall strategy and policy for the Charity are agreed by the Council of Management (known as the 'Board of Trustees'), advised by the Chief Executive and Directors who attend all meetings.

At the first meeting of the Trustees each year, one third of the members of the Council retire from office and new elections are held. Following a period of office, a member of the Council is eligible for re-election.

Officers of the Board (currently Chairman, Treasurer and Vice Chairman) are elected for an initial term of three years. They are then eligible for election for a further, final term of two years. These terms are extendable, exceptionally, at the discretion of the Board of Trustees.

Trustees are recruited by open advertisement to ensure the widest field of applicants. A number of the Trustees have been personally affected by prostate cancer and one is from an African-Caribbean background (a section of the population with a heightened risk of prostate cancer).

When new Trustees are appointed, they are provided with an induction programme in which they meet with staff from across the Charity and are provided with relevant background briefing information, for example, the Memorandum and Articles of Association, previous Board meeting minutes and best practice guidelines for Trustees from the Charity Commission and the National Council for Voluntary Organisations.

Trustees periodically review governance arrangements to ensure that appropriate structures and mechanisms are in place as the Charity evolves. As part of this

process, a special session was organised for Trustees in March 2010 at which the governance expert, Dorothy Dalton, discussed key developments in good governance practice.

There are currently three sub-committees of the Board – the Finance and General Purposes Committee, the Human Resources Committee and the Nominations Committee. The Finance and General Purposes Committee reviews ongoing financial performance and strategic aspects of risk management, facilities, ICT and database functions. It makes recommendations to the Board on these areas including on financial policy, plans and budgets. The Human Resources Committee reviews strategic HR issues and recommends to the Board reward arrangements for the Chief Executive and Directors. The Nominations Committee makes recommendations to the Board on the appointment of new Trustees, Officers and the Chief Executive.

A new Services Committee is being established in 2010/11 to provide strategic attention to the development of the Charity's 'front line' service provision to men affected by prostate cancer and their families. This will enable a delegated group of Trustees to give detailed consideration, on behalf of the Board, to proposals for policy and strategy development in this area.

Additionally, the Research Advisory Committee advises the Board on research strategy, policy and investment. The need for further sub-committees and advisory groups will be kept under review.

Trustees met on ten occasions during the year (either as a full Board or in the sub-committees) to review strategy, policy and performance and to set the operating plans and budgets.

The Chief Executive is responsible for the Charity's operational leadership. The staff team comprises approximately 70 employees, based in offices in Hammersmith, London and organised into four Directorates:

- **Chief Executive** – includes media and public relations
- **Fundraising** – responsible for all fundraising activity and for events management
- **Operations and Marketing Communications** – responsible for all 'front line' services, including Helpline, information production, volunteering, marketing communications, policy and campaigns, research management, health service liaison and Scotland operations
- **Resources** – responsible for financial management, planning, knowledge management, human resources, database and ICT services, governance and the facilities management of the office

The senior management team of the Charity are:

- John Neate, Chief Executive
- Richard Whitley, Director of Resources and Company Secretary
- Mark Bishop, Director of Fundraising
- Ruth Holdaway, Director of Operations and Marketing Communications

Responsibilities of the trustees

Company law requires the Trustees to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) which give a true and fair view of the state of affairs of the Group and the Charity at the end of the financial year and of the Group’s surplus or deficit for the financial year. In doing so the Trustees 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 Charity will continue in operation

The Trustees are responsible for maintaining adequate accounting records which are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that the audited report and financial statements for The Prostate Cancer Charity comply with the provisions of the Statement of Recommended Practice (SORP), ‘Accounting and Reporting by Charities’, issued in March 2005, the Companies Act 2006 and the Charity’s Memorandum and Articles of Association.

The Trustees at the date of signing of this report are listed on the ‘Legal and Administrative Information’ page, as are the company and charity numbers of The Prostate Cancer Charity.

Statement of disclosures to auditors

- a) So far as the Trustees are aware, there is no relevant audit information of which the Charity’s auditors are unaware, and

- b) They have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity’s auditors are aware of that information.

Trustees and directors

The Trustees and Directors who served for the Charity during the year were as follows:

- Professor J Waxman (President)
- Professor P Forster (Chairman)
- Ms S Sayer OBE (Vice Chair)
- Mr J Wotherspoon (Treasurer)
- Mr J Anderson
- Mr A Blessley
- Mrs J Bridge (resigned 25.03.10)
- Mr I Chate
- Mr G Duncan (resigned 25.03.10)
- Mr R Kelly (elected 25.03.10)
- Professor H Leung (elected 24.09.09)
- Mr M Price
- Mr W Russell
- Mr A Sealey OBE
- Dr T Walker CB

Auditors

MacIntyre Hudson were appointed as the Charity’s auditors at the Annual General Meeting held on 19th July 2007.

A special resolution was passed on 10th November 2008 authorising the Directors of the Company to fix the remuneration of the Company’s auditors for 2009/10 and subsequent years.

This report was approved by the Council of Management (Board of Trustees) on 20th July 2010 and authorised to be signed on its behalf by:



Professor Paul Forster
Chairman

20th July 2010

Independent Auditor's Report to the members of The Prostate Cancer Charity

We have audited the financial statements of The Prostate Cancer Charity for the year ended 31st March 2010 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, Group Cash Flow and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with UK Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 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 of the state of the group and charity's affairs as at 31st March 2010 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 United Kingdom Generally Accepted Accounting Practice
- The financial statements have been properly prepared in accordance with the Companies Act 2006
- The information given in the Trustees' Annual Report is consistent with the financial statements.

Macintyre Hudson LLP

Rakesh Shaunak FCA
Senior Statutory Auditor

For and on behalf of **Macintyre Hudson LLP**
(Chartered accountants and Registered Auditors)
New Bridge Street House
30-34 New Bridge Street
London EC4V 6BJ

The Prostate Cancer Charity Statement of Financial Activities

for the year ended 31st March 2010

	Notes	Unrestricted Fund £'000	Restricted Funds £'000	Total 2010 £'000	Total 2009 £'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	3	10,372	899	11,271	7,553
Activities for generating funds					
Fundraising	4	–	–	–	35
Trading subsidiary turnover	5	148	–	148	57
Investment income	6	22	–	22	121
Other incoming resources	7	–	–	–	55
Total incoming resources		10,542	899	11,441	7,821
Resources expended					
Costs of generating funds:					
Cost of generating voluntary income	3	3,253	–	3,253	2,498
Costs of activities for generating funds	4	–	–	–	–
Trading subsidiary expenditure	5	116	–	116	50
Charitable activities	8	4,788	775	5,563	4,413
Governance costs	10	140	–	140	121
Other resources expended	7	–	–	–	61
Total resources expended		8,297	775	9,072	7,143
Net incoming resources before other recognised gains and losses		2,245	124	2,369	678
Other recognised gains and losses					
Gain / (Loss) on investment assets		491	–	491	(451)
Net movement in funds		2,736	124	2,860	227
Total funds brought forward		2,838	229	3,067	2,839
Total funds carried forward		5,574	353	5,927	3,067

The Prostate Cancer Charity Income and Expenditure Account for the year ended 31st March 2010

	Notes	2010 £'000	2009 £'000
Income			
Incoming resources from generated funds:			
Voluntary income	3	11,271	7,553
Activities for generating funds	4	–	35
Trading subsidiary turnover	5	148	57
Investment income	6	22	121
Other incoming resources	7	–	55
		11,441	7,821
Expenditure			
Costs of generating funds:			
Cost of generating voluntary income	3	3,253	2,498
Costs of activities for generating funds	4	–	–
Trading subsidiary expenditure	5	116	50
Charitable activities	8	5,563	4,413
Governance costs	10	140	121
Other resources expended	7	–	61
		9,072	7,143
Surplus for the year		2,369	678

Statement of total recognised gains and losses

	2010 £'000	2009 £'000
Surplus for the year	2,369	678
Unrealised loss on investment assets	491	(451)
Total gains and losses recognised since 31st March 2010	2,860	227

The Prostate Cancer Charity Balance sheet

as at 31st March 2010

	Notes	Group		Charity	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
Fixed assets					
Tangible fixed assets	14	193	130	193	130
Investments	15	1,979	1,487	1,979	1,487
		2,172	1,617	2,172	1,617
Current assets					
Debtors	16	1,923	1,282	1,983	1,344
Investments	15	–	–	–	–
Cash and short-term deposits		5,751	2,588	5,682	2,525
		7,674	3,870	7,665	3,869
Creditors					
Amounts falling due within one year	17	1,441	1,006	1,432	1,005
Net current assets/liabilities		6,233	2,864	6,233	2,864
Total assets less current liabilities		8,405	4,481	8,405	4,481
Creditors					
Amounts falling due after more than one year	18	2,478	1,414	2,478	1,414
Net assets		5,927	3,067	5,927	3,067
Unrestricted funds	20				
General		5,424	2,813	5,424	2,813
Designated		150	25	150	25
		5,574	2,838	5,574	2,838
Restricted funds	20	353	229	353	229
Total funds		5,927	3,067	5,927	3,067

Approved by the Council of Management on 20th July 2010 and signed on its behalf by:



Professor Paul Forster
Chairman

The Prostate Cancer Charity Group Cash Flow Statement for the year ended 31st March 2010

	Notes	2010		2009	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	24		3,280		556
Returns on investments and servicing of finance					
Interest received		15		81	
Dividends received		7		33	
Proceeds from sales of investments		-		1,306	
			22		1,420
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		138		75	
Payments to acquire fixed asset investments		-		1,700	
			(138)		(1,775)
Management of liquid resources					
Increase in short-term deposits		1,009		3	
			(1,009)		(3)
Increase in cash			2,155		198
Net cash resources at 1st April 2009			2,585		2,387
Net cash resources at 31st March 2010	24		4,740		2,585

The Prostate Cancer Charity Notes Forming Part of the Financial Statements for the year ended 31st March 2010

1. Basis of Accounting

1.1 The financial statements have been prepared under the historical cost basis of accounting as modified by the revaluation of certain assets and in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005). The financial statements consolidate the Charity's individual financial statements with its subsidiary undertaking on a line by line basis. No separate company Statement of Financial Activities or Income and Expenditure Account has been presented as permitted by the Companies Act 2006.

2. Accounting Policies

2.1 Income is shown gross with the exception of funds raised by local fundraising groups which is stated after deduction of direct expenses incurred by the fundraising group.

2.2 All income and expenditure is included in these financial statements on a full accruals basis. Donations and legacies are accounted for when the Charity is entitled to receipt and the amount can be measured with reasonable certainty. Legacies in the form of property or investments are included at market value.

2.3 Donated services and gifts are included at the estimated value to The Prostate Cancer Charity. Where possible this is based on an estimate provided by the donor.

2.4 Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

2.5 Charitable activities include expenditure associated with research grants, community engagement, Helpline and information services, policy and media and public affairs.

2.6 Grants payable are included in the Statement of Financial Activities when approved by the Trustees and agreed with the other organisation. The value of such grants unpaid at the year end is accrued.

2.7 Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.8 Governance costs include those incurred in the governance of the Charity and its assets.

2.9 Costs are allocated between fundraising, charitable activities and governance on the basis of the staff time devoted to, and actual expenditure incurred (including overheads) in each activity. Cost allocation includes an element of judgement and the Charity has had to consider the cost benefit of detailed calculations and record keeping.

2.10 Rentals payable under operating leases are charged to the profit and loss account as incurred.

2.11 The Charity operates defined contribution pension schemes for certain of its employees. The assets of these schemes are held separately from those of the Charity in independently administered funds. Contributions in respect of these schemes are charged against net incoming resources in the year in which they are made.

2.12 **Tangible Fixed Assets and Depreciation:** Expenditure on assets or groups of assets over the value of £1,000 will be capitalised. Depreciation is provided on a straight line basis at the following annual rates in order to write off each asset over its estimated useful life:

- Lease improvements and events equipment – 20%
- Computer equipment, software and website redevelopment – 33%
- Fixtures and fittings – 33%

2.13 Investments held as fixed assets are revalued at mid-market value at the balance sheet date. Any gain or loss is taken to the Statement of Financial Activities. The investment in the subsidiary is recognised at cost.

2.14 **Fund accounting:** The following funds are held by the Charity:

Unrestricted – these are funds which can be used in accordance with the charitable objects at the discretion of the Council.

Designated – these are funds set aside by the Council out of unrestricted funds for specific future purposes.

Restricted – these are funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

3. Voluntary income and costs of generating voluntary income

	2010						2009	
	Income			Expenditure			Total income £'000	Total costs £'000
	Unrestricted £'000	Restricted £'000	Total income £'000	Direct costs £'000	Support costs £'000	Total costs £'000		
Direct marketing	1,309	175	1,484	528	177	705	1,461	786
Community fundraising	7,443	56	7,499	1,721	212	1,933	3,830	1,151
Charitable trusts	124	342	466	51	36	87	408	88
Corporate donors	599	273	872	139	106	245	709	317
Legacies	637	16	653	36	2	38	424	29
Other, including donated services	260	37	297	121	124	245	721	127
	10,372	899	11,271	2,596	657	3,253	7,553	2,498

Income less expenditure provides the net contribution figures below:

	Net Contribution	
	2010 £'000	2009 £'000
Direct marketing	779	675
Community fundraising	5,566	2,679
Charitable trusts	379	320
Corporate donors	627	392
Legacies	615	395
Other, including donated services	52	594
	8,018	5,055

4. Activities for generating funds

No income or expenditure is applicable in this category for 2009/10. In 2008/09, the Charity received income of £35,000 for sponsorship of a conference and Prostate Cancer Awareness Month.

5. Net income from trading activities of subsidiary

The Charity has a wholly owned subsidiary incorporate in England, Prostate Cancer Trading Limited, which raises funds through trading activity including cause related marketing and sales of goods. The company pays its profits under Gift Aid to The Prostate Cancer Charity. Audited accounts will be filed with the Registrar of Companies. A summary of its trading results for the year ended 31st March 2010 is as follows:

	2010 Total £'000	2009 Total £'000
Turnover		
Sales of goods	22	24
Income from corporate partnerships	126	33
	148	57
Cost of sales	112	41
Gross profit	36	16
Administrative expenses	4	9
Interest received	–	(1)
Net profit	32	8
Income transferred by Gift Aid	32	8
Retained in subsidiary	–	–

6. Investment income

	Unrestricted £'000	Restricted £'000	2010 Total £'000	2009 Total £'000
Dividends received	7	–	7	33
Interest received	15	–	15	81
Proceeds from the sale of investments	–	–	–	7
	22	–	22	121

7. Other incoming resources and resources expended

There were no other sources of incoming resources in 2009/10. In 2008/09, monies received on behalf of the Prostate Cancer Charter for Action and Department of Health were included in the accounts, comprising income of £55,000 and costs of £61,000.

8. Charitable activities

	Direct costs £'000	Support costs £'000	2010 Total costs £'000	2009 Total costs £'000
Research	1,622	37	1,659	1,159
Information services	334	98	432	414
Helpline	407	194	601	620
Community engagement*	461	192	653	625
Awareness	1,567	197	1,764	1,278
Policy and campaigns	265	189	454	317
	4,656	907	5,563	4,413

* Community engagement comprises our volunteer programme work in Scotland, England and with African Caribbean communities, plus health services liaison.

9. Grants awarded

	Unrestricted £'000	Restricted £'000	2010 Total £'000	2009 Total £'000
Research grants:				
University of Leeds	–	246	246	–
University of Oxford	–	249	249	–
University of Newcastle	–	195	195	–
University of Bristol	–	99	99	–
University College London	–	241	241	–
University of Cambridge	–	–	–	26
Institute of Cancer Research, Sutton	–	48	48	375
Imperial College, London	–	–	–	124
Queen Mary, University of London	–	–	–	66
University of Southampton	–	–	–	107
University of Ulster	–	165	165	96
Queens College Belfast	–	395	395	158
University of Bath	–	–	–	102
Jeremy Gambrell Memorial Award	–	–	–	25
	–	1,638	1,638	1,079

In March 2010, a further £150,000 was committed to be spent in 2010/11 on Survivorship research projects. This appears in the Balance Sheet as a Designated Fund (see Note 22). Support costs associated with grants amounted to £37,000 (£36,000 in 2009).

	2010 £'000	2009 £'000
Reconciliation of grants payable:		
Commitments at 1 st April 2009	1,987	1,441
Commitments made in the year	1,638	1,079
Grants cancelled or recovered	(78)	–
Grants paid during the year	(510)	(533)
Commitments at 31st March 2010	3,037	1,987

Commitments at 31st March 2010 are payable as follows:

Within one year (note 17)	559	679
After more than one year (note 18)	2,478	762
	3,037	1,441

10. Governance

	Direct costs £'000	Support costs £'000	2010 Total costs £'000	2009 Total costs £'000
Legal and professional fees	22	–	22	5
External audit	12	–	12	7
Trustee expenses	5	–	5	5
Apportionment of staff & support costs	–	101	101	104
	39	101	140	121

11. Council of Members and employee information

No member of the Council received any remuneration from the Charity. Directly incurred expenses are reimbursed, if claimed. In the year ended 31st March 2010 travelling and other expenses amounting to £4,605 were reimbursed to 3 Council members (in 2008/09, £3,144 was reimbursed).

The average full time equivalent number of persons employed by the Charity during the year was:

	2010	2009
Fundraising	19	15
Charitable activities	32	27
Finance, facilities, ICT, database and human resources	14	13
Management and administration	2	2
	67	57

Amounts paid to employees by the Charity during the year increased by 26% and were:

	2010 £'000	2009 £'000
Salaries and wages	2,388	1,903
National insurance costs	251	202
Pension costs	90	66
	2,729	2,171

The increase in staff costs was due to a planned investment in staff resources across the Charity and normal inflationary increases in salaries.

The number of employees of the Charity paid within each of the following ranges was:

	2010	2009
£60,000 to £70,000	3	–
£80,000 to £90,000	1	1

The Charity made pension contributions under a defined contribution scheme amounting to £16,908 (2009: £3,883) in respect of 4 (2009: 1) higher paid employees. The increase in the number of higher paid staff reported in 2009/10 reflects the fact that senior staff were in post for the full year 2009/10 but not in 2008/09.

12. Pension costs

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions paid by the Charity to the funds and amounted to £89,808 (2009: £66,538).

13. Support costs

The breakdown of support costs and how these are allocated are shown below:

	Cost of generating income £'000	Charitable activities £'000	Governance £'000	2010 Total costs £'000	2009 Total costs £'000
Staff and similar costs	359	467	71	897	933
Telephone, publications, postage, stationery	96	111	20	227	85
Premises costs	176	287	9	472	545
Depreciation	26	42	1	69	50
	657	907	101	1,665	1,613

Cost allocation includes an element of judgement and the Charity has had to consider the cost benefit of detailed calculations and record keeping. Where possible, support costs are charged to a specific activity and the balance has been allocated using the basis of full time equivalent staff numbers.

14. Tangible fixed assets – group and charity

	Lease improvements £'000	Fixtures & fittings £'000	Computer equipment/ software £'000	Events equipment £'000	Total £'000
Cost					
At 1 st April 2009	94	35	236	–	365
Additions	33	10	47	48	138
At 31 st March 2010	127	45	283	48	503
Depreciation					
At 1 st April 2009	26	19	190	–	235
Charge for the year	24	12	33	6	75
At 31 st March 2010	50	31	223	6	310
Net Book Value					
Net book value at 31 st March 2010	77	14	60	42	193
Net book value at 31 st March 2009	68	16	46	–	130

The group operates a website which will generate additional revenue to the Charity, through donations and support for events. The Trustees consider that this satisfies the conditions under UITF 29 for capitalisation of the costs associated with its development. The costs are being amortised over 3 years and are included under 'computer equipment'.

15. Investments – group and charity

	2010 £'000	2009 £'000
Market value:		
At 1 st April 2009	1,487	1,544
Additions	–	1,700
Disposals	–	(1,306)
Unrealised (losses) / gains	492	(451)
At 31 st March 2010	1,979	1,487
Historical cost as at 31 st March 2009	1,874	1,874
	2010 £'000	2009 £'000
UK listed investments:		
GlaxoSmithKline plc	96	83
Other	91	73
Common investment funds:		
CCLA Charities Investment Fund	1,223	917
CCLA Global Equities Fund	519	376
Unit trusts	37	25
Other investments	13	13
	1,979	1,487

16. Debtors

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Legacies and donations	113	153	145	153
Tax recoverable	1,070	389	1,071	389
Loan to Prostate Cancer Trading Limited	–	–	125	–
Other debtors	59	4	76	27
Accrued income	195	168	80	168
Prepayments	486	568	486	607
	1,923	1,282	1,983	1,344

17. Creditors – falling due within one year

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade creditors	260	221	260	222
Accruals and other creditors	622	212	613	210
Commitments	559	573	559	573
	1,441	1,006	1,432	1,005

Deferred income included in the above amounted to £167,286 (2009: £0)

18. Creditors – falling due after more than one year

	Group		Charity	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Research commitments	2,478	1,414	2,478	1,414

19. Analysis of net assets between funds

	Group	Charity			
	Total Funds £'000	General Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
Tangible fixed assets (note 14)	193	193	–	–	193
Investments (note 15)	1,979	1,979	–	–	1,979
Current assets less liabilities	3,755	3,402	–	353	3,755
Net assets at 31st March 2010	5,927	5,574	–	353	5,927

20. Movement in funds

	Group	Charity				
	As at 31.3.2010 £'000	As at 1.4.2009 £'000	Incoming £'000	Outgoing £'000	Transfers £'000	As at 31.3.2010 £'000
Restricted funds:						
Research:						
Action Fund	–	–	152	(152)	–	–
General Research	244	113	462	(331)	–	244
Research Nurse	1	1	–	–	–	1
Helpline	–	18	75	(93)	–	–
Information Services	–	–	10	(10)	–	–
Scotland Development – Other	46	52	37	(43)	–	46
Scotland Development – The Big Lottery Fund	5	7	(1)	(1)	–	5
African Caribbean Projects	2	4	–	(2)	–	2
Volunteer programme	–	11	35	(46)	–	–
Masterclasses	38	3	35	–	–	38
Older and Wiser	17	14	29	(26)	–	17
Couples' Project	–	–	12	(12)	–	–
UK Prostate Link Project	–	6	53	(36)	(23)	–
Total restricted funds	353	229	899	(752)	(23)	353
Unrestricted funds:						
General fund	5,424	2,774	10,355	(7,555)	(150)	5,424
Designated funds:						
Jeremy Gambrell Memorial Award	–	25	–	(25)	–	–
Scotland	–	–	39	(39)	–	–
Survivorship research fund	150	–	–	–	150	150
Total designated funds	150	25	39	(64)	150	150
Total unrestricted funds	5,574	2,799	10,394	(7,619)	–	5,574
Total funds	5,927	3,028	11,293	(8,371)	(23)	5,927

21. Purposes of restricted funds

Research Action Fund	This fund is dedicated to the Charity's main objective of research into prostate cancer.
Helpline	This fund is used for the Charity's Helpline support service.
Information Services	This fund will be used for the provision of information services including the printing of educational leaflets
Scotland Development – The Big Lottery Fund	This fund has been used to develop two services in West/Central Scotland – one to one support for people directly affected by prostate cancer, and awareness raising of prostate cancer. Both services are run by people who have been directly affected by prostate cancer.
African Caribbean Projects	This fund was used for the staging of a community-based educational play, the production of a personal testimonies booklet collating experiences of people affected by prostate cancer and the production and distribution of a postcard aimed at raising awareness of prostate cancer amongst women.
Volunteer Programme	This fund is for the production of volunteering materials to support the volunteer programme for England and Wales.
Masterclasses	This fund will be used to support the running of a nursing masterclass in September 2010. Funding was received for this purpose in 2009/10 but expenditure will be incurred in 2010/2011.
Older and Wiser	This fund is targeted at raising awareness in the African Caribbean community, including the training of volunteers in London.
Couples' Project	This fund is for a creative artistic venture using photography, interviews and sound to capture and share the experiences of couples affected by prostate cancer (e.g. men and their partners, sons and daughters, sisters, carers and friends).
UK Prostate Link Project	This fund is being administered by The Prostate Cancer Charity. It is a multi-agency funded project to support the running of a national prostate cancer website portal – an initiative of The Prostate Cancer Charter for Action and Prostate Cancer Advisory Group.

22. Purposes of designated funds

Designated funds are funds set aside from the general fund for objectives stated below:

Jeremy Gambrill Memorial Award	The fund is in honour of Jeremy Gambrill, a former Trustee of the Charity. The aim of the award is to encourage study and research into ways of improving the experience of men with prostate cancer – through the patient 'journey' of referral, diagnosis, treatment and living in an ongoing way with the disease. The fund has been used to finance the Couples' Project (see note 21).
Scotland	Any donations received by the Scotland office that are not restricted are classified as designated funds. These were spent in 2009/10 on financing the costs of the Charity's operations in Scotland.
Survivorship research fund	In 2009/10, the Board of Trustees committed the Charity to spend £150,000 in 2010/11 on this underfunded area of research.

23. Commitments under an operating lease

At 31st March 2010, the Charity had three commitments under operating leases:

- Firstly, for its London office with an annual rent of £222,819 + VAT which can be terminated by the Charity on 8th May 2012 or else lapses on 7th May 2017.
- Secondly, for its Glasgow Office with an annual rent of £7,770 + VAT, with three months termination notice on either side.
- Thirdly, for two photocopiers with an annual charge of £25,980 for 5 years from July 2008.

24. Note to group cash flow statement

Reconciliation of net movement in funds to net cash inflow from operating activities:

	2010 £'000	2009 £'000
Net movement in funds for year before other recognised gains or losses	2,369	678
Investment income	(22)	(114)
Depreciation	75	50
Increase in debtors	(641)	(374)
Increase in creditors	1,499	316
	3,280	556
Analysis of net cash resources		
Cash at bank and in hand	4,740	2,585
Short term deposits	1,011	3
	5,751	2,588

25. Related party transactions

The Charity has made a loan of £125,000 to its trading subsidiary, which is repayable in March 2011, at an annual interest rate of 5%. There is also an intercompany balance with the subsidiary of £87,754 (2009: £59,994).

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*Calls are free of charge from UK landlines. Mobile phone charges may vary. Calls may be monitored for training purposes. Confidentiality is maintained between callers and The Prostate Cancer Charity. A charity registered in England and Wales (1005541) and in Scotland (SC039332). A company limited by guarantee Reg No: 2653887 (England and Wales)