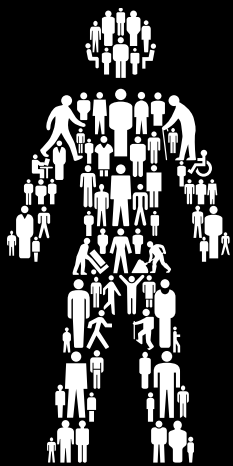


Annual report and accounts for the year ended 31st March 2012



**PROSTATE
CANCER UK**

Prostate Cancer UK (formerly The Prostate Cancer Charity)

Legal and administrative details

Registered in England and Wales with the Charities Commission under charity number: 1005541
Registered in Scotland by the Office of the Scottish charity Regulator under charity number: SC039332
Registered company number: 02653887

Address

Prostate Cancer UK (formerly The Prostate Cancer charity)

First Floor

Cambridge House

100 Cambridge Grove

London W6 0LE

Prostate Cancer Scotland

Unit F22-24

Festival Business Centre

150 Brand Street

Glasgow G51 1DH

Details of Trustees and Directors are given on page 9

Bankers

National Westminster Bank Plc

Park Royal Branch

1 Abbey Road

London NW10 7RA

Auditors

MHA Macintyre Hudson

New Bridge Street House

30-34 New Bridge Street

London EC4V 6BJ

Legal Advisors

Russell-Cooke LLP

2 Putney Hill

London

SW15 6AB

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Please note:

This report covers the activities in 2011/12 of The Prostate Cancer Charity which subsequently changed its name to Prostate Cancer UK in June 2012

Report of the Trustees for the year ended 31st March 2012

Structure

The Members of the Council ('The Trustees') of Prostate Cancer UK ('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 2012.

The charity is a charitable company limited by guarantee and was set up on 14th October 1991. It changed its name from The Prostate Cancer Charity to Prostate Cancer UK in June 2012. This report provides information on the charity's activity and financial performance from April 2011 to March 2012, which is the period before the change of name.

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 Executive 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 (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 generally recruited by open advertisement to ensure the widest field of applicants. A number of the Trustees have been personally

affected by prostate cancer. During the year, one trustee resigned and four new Trustees were appointed.

New Trustees undertake an induction programme, meeting with staff from across the charity and are provided with relevant background briefing information.

Trustees periodically review governance arrangements to ensure that appropriate structures and mechanisms are in place as the charity evolves.

There are five sub-committees of the Board:

- Finance and General Purposes Committee - reviews in-depth budget and financial plans, monitors the charity's financial performance, makes recommendations to the Board on financial policy matters (e.g. Treasury Management and Reserves), scrutinises support services and undertakes any other work delegated to it by the Board
- Human Resources Committee - reviews strategic HR issues and recommends to the Board reward arrangements for the Chief Executive and Directors
- Audit and Risk Management Committee - established in 2011, it leads on external audit matters and is responsible for reviewing arrangements for the management of risk
- Operations Committee - provides strategic attention to the development of the charity's 'front line' service provision to men affected by prostate cancer

- Nominations Committee - makes recommendations to the Board on the appointment of new Trustees, Officers and the Chief Executive.

Additionally, the Research Advisory Committee advises the Board on research strategy, policy and investment. Terms of reference for all committees were reviewed in 2011.

Trustees met on 14 occasions during the year (either as a full Board or in the committees) to review strategy, policy and performance and to set the operating plans and budgets.

At the time of signing, the staff team comprised 121 employees, based in offices in Hammersmith, west London and Glasgow. The charity is organised into five Directorates:

- Chief Executive - responsible for operational leadership of the organisation
- Fundraising - responsible for all fundraising activity and for events management
- Operations - responsible for all 'front line' services, including helpline, volunteering, policy, research management, health service liaison and Scotland operations
- Communications - responsible for all media and public relations, marketing communications, campaigns, brand management and information production.
- Resources - responsible for financial management, planning, knowledge management, human resources, database, ICT, governance and facilities management for the charity's two offices.

The senior management team of the charity during the year was as follows:

- Owen Sharp, Chief Executive
- Richard Whitley, Director of Resources and Company Secretary
- Mark Bishop, Director of Fundraising
- Ruth Holdaway, Director of Operations (resigned 31st December 2011)
- Graham Duncan, Interim Director of Operations (appointed 12th December 2011)
- Seamus O'Farrell, Director of Communications (appointed 3rd May 2011)

Objectives and activities

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.

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 Prostate Cancer UK clearly satisfies the public benefit test.

Our strategic goals

The charity's work in 2011/12 was driven by the priorities set out in its strategy, 'Transforming the future for prostate cancer'. This 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.

The charity is currently undertaking a review of its strategy (see Plans for the Future).

Achievements and performance

Review of activities

During 2011/12 the charity made important progress in supporting men affected by prostate cancer. Central to being able to achieve this was securing a three-year partnership agreement to continue being the prime beneficiary of the Movember Foundation in the UK. Over the next three years, from 2011/12 to 2013/14, our charity will receive at least £15 million per annum from Movember, subject to the continued success of the moustache-growing fundraising campaign and our ability to spend the proceeds on making a meaningful difference.

Until the November 2010 Movember campaign, any income received or expenditure incurred on Movember campaigns in the UK was dealt with directly by the charity on behalf of Movember. However, from its November 2011 campaign, Movember Europe took direct control of the UK campaign and entered into a three year contractual arrangement with the charity in respect of the 2011-2013 campaigns. This provides the charity with grant funding from the net proceeds of each Movember campaign in November of 2011, 2012 and 2013, with payment being made in equal tranches in

May and December of the following year. Therefore, in the financial statements for the year ended 31st March 2012 and in future financial years, a provision for this restricted Movember income of £15 million is included in the Statement of Financial Activities and credited to a restricted income fund, and an amount receivable from Movember as at 31st March is included in debtors in the Balance Sheet.

In view of the timing of the 2011 Movember Campaign and the receipt of funding by the charity, related programmes and expenditure will take place in the 2012/13 financial year and thereafter. In broad terms, half of the restricted grant funding from Movember will be committed to medical research and the other half to survivorship services to support men already affected by prostate cancer.

The success of the 2011 Movember Campaign saw 254,000 men grow a moustache for the month of November and, in addition to the funds raised, the scale of the campaign attracted national media coverage which helped to promote prostate cancer as an important health issue. Having a partnership agreement in place that gives Prostate Cancer UK a stable source of future income has also made an ambitious review and expansion of our services possible.

Finding the answers

Central to our work is our investment in medical research. Not enough is known about prostate cancer, so research is the best way to address this. The charity paid out grants of £2.4 million during 2011/12 to honour its existing commitments and made further awards of £455,000. We made fewer new awards than

in previous years, as our 2011/12 research round was delayed pending a fundamental review of our research strategy in the light of more funding becoming available. The investment from Movember and our own Research Action Fund programme mean we will commit around £8 million per annum to research in each of the next three years. The charity is also working as part of Movember's international research partnership (Global Action Plan) with other leading research organisations. Together, we can find the answers quicker and more cost-effectively.

The best support

As well as investing in research, Prostate Cancer UK seeks to provide the best support for men already affected by the disease. Our specialist nurses were able to continue answering urgent calls to our helpline. They gave one-to-one support for men dealing with complex questions and difficult issues – with calls often lasting for an hour. Of 5,200 calls in 2011/12, notably 1 in 5 were from women. In addition to providing telephone support, our website continued to see a steady increase in traffic, providing easy access for people looking for prostate cancer information and support. Through online downloads and printed distribution, over 325,000 of our publications were received by people worried about prostate cancer issues. To show the impact Movember has on our services, it is interesting to note that 42,000 publications were requested alone during the month of November 2011 to coincide with the moustache-growing campaign.

Campaigning for change

Prostate Cancer UK never provides services with a view to replacing a service that could and should be provided by the NHS. What we provide today has the potential of being provided in part, or in full, within the structure of the NHS in the future. With the reduction in public spending and changes to healthcare systems, it is clear that we have a significant fight on our hands to get the Government and healthcare commissioners to truly embrace the full healthcare needs of men with prostate cancer. A similar challenge exists in Scotland too. Despite this, our influencing and campaigning work helped to move the issue up the political agenda both for England and Wales, and in Scotland. For example, in the Westminster Parliament David Cameron made reference to the charity's work at Prime Minister's Questions, and in the Scottish Parliament we secured the support of all Scottish MSPs for our pledge to improve prostate cancer care.

We had a number of campaigning successes, such as the Westminster Government's recognition that information and support to men about the PSA test needs improving (our Testing Choices campaign). We also helped to secure a national audit of prostate cancer services in England and Wales, an important activity that will help us understand how different treatments and practices impact on the lives of men with prostate cancer. We have been able to build on the charity's increased profile as the expert voice of men with prostate cancer to commence a campaign to persuade the National Institute for Health and Clinical Excellence (NICE) to overturn its decision not to provide the life-extending drug, abiraterone, on the

NHS in England and Wales. NICE's recent draft decision indicates we have achieved this, but we still have to attain a similar outcome for men in Scotland. Our influencing activities will continue until this is accomplished.

Fundraising

Despite the harsh and uncertain economic environment, the charity has achieved a total annual growth in gross income of 24% to £23.3 million in 2011/12. This success will make it possible for us to upscale radically our research and survivorship work in 2012 and beyond.

Behind our growth is the phenomenal performance of the Movember campaign, which increased from 112,000 participants in 2010 to over 254,000 moustache-growing Mo Bros in 2011. Under the terms of our partnership with the Movember Foundation, we are due to receive £15 million in 2012/13 in respect of the 2011 Movember Campaign, and a similar figure will be donated to us for each of the next two years. Furthermore, subject to certain conditions being met by the charity, Movember has resolved to commit a further amount of £1.8 million. These funds are helping us tackle the legacy of neglect in terms of investment available to fight the most common cancer in men. In addition to Movember, the charity has also experienced strong performance across the majority of its income streams. Our partnership with Marks & Spencer entered its sixth year, with total funds raised since the start now exceeding £1 million. The 2012 campaign was our best yet, with 'Out of the Blue' being the theme for our awareness and fundraising work across M&S stores throughout the UK in March.

Through its various activities, the retailer raised over £400,000 for the charity during the last 12 months. As impressive, is our continuing relationship with Keyline Builders Merchants, which is now in their third year of supporting the charity.

We were very grateful to our Research Action Fund Patrons and regular donors, the various trusts and community supporters who helped raise funds for us throughout the last year. A powerful highlight was the 2012 Virgin London Marathon. What is always a great event was even better this year because we were the prestigious co-beneficiary of this year's race - an honour we shared with Breast Cancer Care. The dynamic partnership, that became known as 'TeamPB' (Prostate and Breast), raised over £1 million (to be shared equally between the charities) and generated significant media coverage from the 830 runners who took to the streets as part of this special male and female team collaboration. The charity and Breast Cancer Care are exploring ways to work together on fundraising endeavours in the future. Continuing on a sporting theme, we will be the charity partner for The Football League for the 2012/13 season. We are delighted and honoured to have been chosen, as it gives us an opportunity to reach the millions of men who follow the 72 football clubs that make up The Football League. This is an example of our continuing belief in how sport can be an effective way to reach men. What has changed, though, is how we are now seeking to "mainstream" that ambition by concentrating on football in particular because of its mass appeal.

Financial review

In 2011/12 total incoming resources were £23.3 million, including accrued income from Movember of £15 million, which represented an increase of 24% on the year before. This continued the strong growth trend of recent years which is the result of the spectacular growth of income from the Movember campaign, and a strong performance across the majority of the charity's other income streams.

Total expenditure fell from just over £13 million in 2010/11 to £10.5 million in 2011/12. This is largely due to changes in how the Movember Foundation campaign is managed. For the first time, Movember ran the campaign within its separately registered UK charity. It met the costs of the campaign directly, and will then distribute the net proceeds to the charity over the following 12 months, rather than the charity receiving all monies and then making a payment to Movember for its campaign costs. The other significant factor is the delay in the charity's 2011/12 research round, as explained above.

The charity operates a wholly-owned subsidiary trading company – Prostate Cancer Trading Ltd – which administers all its trading activity. In 2011/12 trading turnover fell from £163,000 in 2011 to £68,000, mainly as a result of more of our Marks & Spencer partnership income being recognised as donations rather than the sale of goods. Despite this reduction in income, with costs being scaled down accordingly, the trading company still produced a net profit of £25,000. This will be donated to the charity.

Risk assessment

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate these risks.

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 regularly reviewed and updated by risk owners, the Senior Management Team and the Audit and Risk Management 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 risk to be identified at an early stage. The charity also only awards grants after a thorough peer-review assessment process
- Movember continues to provide a large proportion of the charity's income. The charity seeks to manage the risk involved in such a key funding relationship by taking a prudent approach to increasing its cost base, such as staff headcount, as well as seeking to increase materially other sources of income over the next three years – a revised Fundraising Strategy was approved by the Board in March 2012
- A three-year business and financial plan and annual budget are approved by Trustees. The annual budget forms the basis for financial monitoring. Re-forecasting of financial performance takes place three times a year, enabling any

emerging difficulties to be identified early and effectively managed.

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 and delivery

Plans for the future

Alongside its continuing investment in research, provision of support and leading campaign for change, Prostate Cancer UK has undergone a significant redefinition of its priorities and plans for the future during the course of the last year.

Despite being the leading and largest prostate cancer charity in the UK, our findings show that we are reaching less than 10% of the total population of men affected by the disease. Indeed, our review of our work across all areas highlighted the need for us to rethink how we can have more impact in the future. The greater certainty over future funding provided by the three-year agreement with Movember, and the continued growth of our other sources of funds, has made it possible to rescale our ambitions. As a result of our strategic review, in June 2012 the charity re-launched under a new name, Prostate Cancer UK, with a new logo design that captures the spirit, energy and ambition of our future plans. We plan to quadruple our investment in research, quadruple the number of people using our helpline within three years, develop new regionally-based services to reach many more men in their local communities, and roll out a nationwide Prostate Nurse programme to give men access to a clinical nurse specialist. In every

aspect of our work we will seek to do more for more men because we passionately believe that men deserve better than the current care provision available to them.

Furthermore, the Group intends to enter into a merger with Prostate Action on 31st July 2012. This will be reflected in the accounts for the year ending 31st March 2013.

The full extent of our new plans will be shared with key stakeholders in autumn 2012, and more widely shortly afterwards. The new name and logo came into effect in late June ahead of the formal re-launch three months later.

Reserves policy

The charity's reserves policy states 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. Readily available, free reserves to the value of between three and six months' of the higher of forward-looking income or expenditure, is required to achieve this. The free reserves requirement will be calculated on a quarterly basis and monitored on a monthly basis. Excess reserves (i.e. above the upper level of the target range) 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 will be reviewed annually as part of the charity's budgetary processes."

The level of free reserves at the balance sheet date in March 2012 was £8.3 million, compared to £10.3 million a year ago, or a fall

of £1.9 million. This reflects the charity's deliberate plan during 2011/12 to reduce its reserves.

They now represent about 6 months of unrestricted expenditure at 2012/13 levels, so are in line with the charity's policy. The charity has restricted reserves of £15.5 million at year end. Of these, £15 million relates to Movember. The charity had not received this funding by 31st March 2012 – payments relating to the Movember 2011 campaign will come in two equal instalments of £7.5 million each in the financial year 2012/13 (May 2012 and December 2012). However, these sums are included in our income in 2011/12, in line with accounting rules, as the amounts which will be received have been confirmed to us and relate to the 2011 Movember campaign. The Movember funds will be fully committed to activity in 2012/13 and 2013/14, with a significant increase in spending planned across all areas of survivorship services and research.

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 proper accounting records which 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 Prostate Cancer UK 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.

Statement of disclosures to auditors:

- So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and
- 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.
- The Trustees are also responsible for ensuring that the assets are properly applied in accordance with charity law.

Trustees and directors

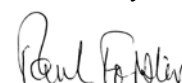
The Trustees and Directors who served the charity during the year were:

Professor J Waxman (President)
 Professor P Forster (Chairman)
 Ms S Sayer OBE (resigned as Vice Chair 22nd March 2012)
 Mr R Kelly (appointed as Vice Chair 22nd March 2012)
 Mr H Richardson (Treasurer)
 Mr J Anderson
 Mr A Blessley
 Mr W Russell
 Dr T Walker CB
 Mr I Chate
 Professor H Leung
 Mr M Britnell (appointed 18th October 2011)
 Ms V Vallely (appointed 18th October 2011)
 Ms S Fraser (appointed 18th October 2011)
 Mr R Humphreys (appointed 18th October 2011)

Auditors

MacIntyre Hudson was appointed as the charity's auditor 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 from 2009/10 onwards.

This report was approved by the Council of Management (Board of Trustees) on 19th July 2012 and authorised to be signed on its behalf by:



Professor Paul Forster
 Chairman - 19th July 2012

Independent Auditor's Report to the members of Prostate Cancer UK

We have audited the financial statements of Prostate Cancer UK (formerly The Prostate Cancer Charity) for the year ended 31st March 2012 which comprise the Group Statement of Financial Activities, the Group Income and Expenditure Account, the Group and Parent charity Balance Sheets, Group Cash Flow and related notes. The financial reporting framework that has been applied to their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 22 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31st March 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Rakesh Shaunak FCA

Maebrige Hudson LLP

(Senior Statutory Auditor)
For And On Behalf Of
Mha Macintyre Hudson
Chartered Accountants
& Statutory Auditor

New Bridge Street House
30-34 New Bridge Street
London

Prostate Cancer UK Group Statement of Financial Activities for the year ended 31st March 2012

	Notes	Unrestricted Funds £'000	Total Restricted Funds £'000	Total 2012 £'000	Total 2011 £'000
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income	3	6,708	16,463	23,171	18,638
Trading subsidiary turnover	4	68	-	68	163
Interest & other income	5	91	-	91	18
Total incoming resources		6,867	16,463	23,330	18,819
Resources Expended					
Costs of generating funds:					
Costs of generating voluntary income	3	3,226	-	3,226	4,864
Trading subsidiary expenditure	4	43	-	43	125
Charitable activities	6,7	5,748	1,286	7,034	8,016
Governance costs	8	148	-	148	160
Total resources expended		9,165	1,286	10,451	13,165
Net incoming/(outgoing) resources before other recognised gains and losses		(2,298)	15,177	12,879	5,654
Other recognised gains and losses					
Realised gain on sale of investment assets	13	14	-	14	60
		14	-	14	60
Net movement in funds		(2,284)	15,177	12,893	5,714
Total funds brought forward		11,303	338	11,641	5,927
Total funds carried forward		9,019	15,515	24,534	11,641

All of the group activities are continuing.

Prostate Cancer UK Group Income and Expenditure Account for the year ended 31st March 2012

	Notes	Unrestricted Funds £'000	Total Restricted Funds £'000	Total 2012 £'000	Total 2011 £'000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	3	6,708	16,463	23,171	18,638
Trading subsidiary turnover	4	68	-	68	163
Interest & other income	5	91	-	91	18
Total incoming resources		6,867	16,463	23,330	18,819
Expenditure					
Costs of generating funds:					
Costs of generating voluntary income	3	3,226	-	3,226	4,864
Trading subsidiary expenditure	4	43	-	43	125
Charitable activities	6,7	5,748	1,286	7,034	8,016
Governance costs	8	148	-	148	160
Total resources expended		9,165	1,286	10,451	13,165
Realised gain on sale of investment assets	13	14	-	14	60
Surplus for the year		(2,284)	15,177	12,893	5,714
Statement of total recognised gains and losses					
		Unrestricted £'000	Restricted £'000	2012 £'000	2011 £'000
Surplus/ (Deficit) of the year		(2,284)	15,177	12,893	5,714
Total gains and losses recognised since 1st April		(2,284)	15,177	12,893	5,714

All of the group activities are continuing.

Prostate Cancer UK

Balance sheets as at 31st March 2012

	Note	Group		Charity	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
Fixed assets					
Tangible fixed assets	12	250	259	250	259
Current assets					
Debtors	14	16,997	3,878	17,085	3,979
Investments	13	18	94	18	94
Cash and short term deposits		12,321	14,480	12,258	14,363
		29,336	18,452	29,361	18,436
Creditors					
Amounts falling due within one year	15	3,271	4,896	3,296	4,880
Net current assets/liabilities		26,065	13,556	26,065	13,556
Total assets less current liabilities		26,315	13,815	26,315	13,815
Creditors					
Amounts falling due after more than one year	16	1,781	2,174	1,781	2,174
Net assets		24,534	11,641	24,534	11,641
Unrestricted funds					
General	18	8,327	10,256	8,327	10,256
Designated	18	692	1,047	692	1,047
		9,019	11,303	9,019	11,303
Restricted funds					
Movember	18	15,000	-	15,000	-
Other	18	515	338	515	338
		15,515	338	15,515	338
Total funds		24,534	11,641	24,534	11,641

Approved by the Council of Management on 19th July 2012 and signed on its behalf by:-



Professor Paul Forster - Chairman

Prostate Cancer UK

Group Cash Flow Statement for the Year Ended 31st March 2012

	Note	2012		2011	
		£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating activities	22		(2,189)		6,981
Returns on investments and servicing of finance					
Interest received	5	70		18	
Dividends received		21		-	
			91		18
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(151)		(215)	
Sale of Investments		90		1,957	
			(61)		1,742
Increase/(Decrease) in cash			(2,159)		8,741
Net cash resources at 1st April			14,480		5,739
Net cash resources at 31st March			12,321		14,480

Prostate Cancer UK - Notes forming part of the financial statements for the year ended 31st March 2012

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 are 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 Prostate Cancer UK. Where possible, this is based on an estimate provided by the donor. In accordance with SORP 2005, no amounts have been included in these financial statements to reflect the value of services provided free of charge to the charity by volunteers.

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 both the Group Statement of Financial Activities and Group Income and Expenditure Account when approved by the Trustees and agreed with the recipient organisation. The value of such grants unpaid at the year end is accrued.

2.7 Costs of generating funds relates to expenditure incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.8 Governance costs are those incurred in the governance of the charity and its assets.

2.9 Support 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 Group Statement of Financial Activities and Group Income and Expenditure Account as incurred.

2.11 The charity operates defined contribution pension schemes for certain 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 due.

2.12 Tangible fixed assets and depreciation:

Expenditure on assets or groups of assets over the value of £1,000 is 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 Group Statement of Financial Activities and Group Income and Expenditure Account. 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

	2012						2011	
	Income		Total income	Costs			Total income	Total costs
	Unrestricted	Restricted		Direct costs	Support costs	Total costs		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Direct marketing	2,159	256	2,415	641	282	923	1,687	848
Community fundraising	3,018	-	3,018	1,161	352	1,513	2,494	908
Movember	-	15,000	15,000	-	-	-	11,408	2,150
Charitable trusts and legacies	286	526	812	63	95	158	1,439	203
Corporate donors	989	618	1,607	218	188	406	1,197	413
Other, including Major Donors and Events	256	63	319	189	37	226	413	342
	6,708	16,463	23,171	2,272	954	3,226	18,638	4,864

Income less costs provides the net contribution figures below

	Net contribution	
	2012 £'000	2011 £'000
Direct marketing	1,492	839
Community fundraising	1,505	1,586
Movember*	15,000	9,258
Charitable trusts and legacies	654	1,236
Corporate donors	1,201	784
Other, including donated services	93	71
	19,945	13,774

* In 2011/12, Movember received all proceeds from its Campaign in November 2011 and met the costs of the Campaign. In accordance with a contractual arrangement, the charity is the major beneficiary of that Campaign and will receive restricted grant funding of £15 million in 2012/13. In 2010/11, the charity received direct the income from donors to Movember's Campaign in November 2010 and then reimbursed Movember for its Campaign costs. The net proceeds amounted to £9,258,000.

4 Net income and assets from trading activities of subsidiary

The charity has a wholly-owned subsidiary incorporated in England, Prostate Cancer Trading Limited, which raises funds through trading activity, marketing and the sales of goods. The company pays its profits under Gift Aid to Prostate Cancer UK. Audited accounts will be filed with the Registrar of Companies. A summary of its trading results for the year ended 31 March 2012 is as follows:

	2012 Total £'000	2011 Total £'000
Turnover		
Sales of goods	24	28
Income from corporate partnerships	44	135
	68	163
Cost of sales	31	112
Gross profit	37	51
Administrative expenses	6	7
Interest payable	6	6
Net profit	25	38
Income transferred by Gift Aid	25	38
Retained in subsidiary	-	-
	2012 Total £'000	2011 Total £'000
Total assets as at 31 st March	173	226
Total liabilities as at 31 st March	173	226
Net assets held as at 31 st March	-	-

5 Interest & other income

	2012 Total £'000	2011 Total £'000
Dividends received	1	-
Interest received	70	18
Other income	20	-
	91	18

6 Charitable activities

	Direct costs £'000	Support costs £'000	2012 Total costs £'000	2011 Total costs £'000
Research	455	169	624	2,994
Information services and community engagement	712	263	975	1,375
Helpline	606	225	831	749
Awareness	2,397	883	3,280	2,164
Policy and campaigns	967	357	1,324	734
	5,137	1,897	7,034	8,016

Research expenditure reduced in 2011/12 owing to the postponement of the charity's annual grant round from March 2012 to October 2012, to allow the charity's revised research strategy to be implemented. Community engagement comprises our volunteer programme work in Scotland, England and with African-Caribbean communities and health services liaison.

7 Grants awarded

	2012 Total £'000	2011 Total £'000
Research grants:		
Movember Foundation Global Action Plan	-	1,000
University of Bradford	-	308
University of Glasgow	-	281
King's College, London	-	261
Imperial College, London	250	244
Institute of Cancer Research, Sutton	-	200
University of Cambridge	-	109
Queen's College Belfast	-	99
University of Bath	-	91
University of Aberdeen	-	82
University College London	-	74
University of Aberystwyth	205	60
	455	2,809

Support costs associated with grants amounted to £82,311 (£48,000 in 2011).

7 Grants awarded (cont.)

	2012 £'000	2011 £'000
Reconciliation of grants payable:		
Commitments at 1 st April	5,090	3,037
Commitments made in the year	455	2,809
Grant adjustments and cancellations	-	(100)
Grants paid during the year	(2,361)	(656)
Commitments at 31st March	3,184	5,090
Commitments at 31st March are payable as follows:		
Within one year (note 15)	1,680	3,015
After more than one year (note 16)	1,504	2,075
	3,184	5,090

8 Governance

	Direct costs £'000	Support costs £'000	2012 Total costs £'000	2011 Total costs £'000
Legal and professional fees	8	-	8	9
External audit	12	-	12	12
Trustee expenses	6	-	6	8
Apportionment of staff & support costs	-	122	122	131
	26	122	148	160

9 Council of Management 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 2012 travelling and other expenses amounting to £6,464 were reimbursed (2010/11: £8,095).

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

	2012	2011
Fundraising	29	25
Operations	35	32
Communications	15	10
Resources	21	16
Chief Executive's Office	2	2
	102	85

Trustee indemnity insurance for the year was set at £1m cover collectively.

	2012	2011
Amounts paid to employees by the charity during the year increased by 28% (2011: 23%) and were:-	£'000	£'000
Salaries and wages	3,799	2,992
National insurance costs	423	316
Pension costs	131	102
	4,353	3,410

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

	2012	2011
£60,000 to £70,000	1	1
£70,000 to £80,000	2	2
£80,000 to £90,000	1	-
£90,000 to £100,000	1	1

The charity made pension contributions under a defined contribution scheme amounting to £20,151 (2011: £18,839), in respect of 5 (2011:4) higher paid employees.

10 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 represents contributions paid by the charity to the funds and amounted to £130,619 (2011: £102,419).

II 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	2012 Total costs £'000	2011 Total costs £'000
Staff and similar costs	611	1,202	95	1,908	1,376
Supplies and services	124	244	6	374	271
Premises costs	166	350	15	531	428
Depreciation	53	101	6	160	70
	954	1,897	122	2,973	2,145

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 overall full-time equivalent staff numbers.

I2 Tangible fixed assets - group and charity

	Lease improvements £'000	Fixtures and fittings £'000	Computer equipment / software £'000	Total £'000
Cost				
At 1 st April 2011	127	103	440	670
Additions	-	89	62	151
At 31 st March 2012	127	193	502	822
Depreciation				
At 1 st April 2011	75	49	287	411
Charge for the year	25	51	85	161
At 31 st March 2012	100	100	372	572
Net book value				
Net book value at 31 st March 2012	27	93	130	250
Net book value at 31 st March 2011	52	54	153	259

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/software'.

13 Investments - group and charity

	2012 £'000	2011 £'000
Market value:		
At 1 st April	82	1,979
Additions	-	-
Disposals	(78)	(1,957)
Realised gains	14	60
At 31 st March	18	82
Historical cost as at 31st March	18	72
	2012 £'000	2011 £'000
UK listed investments:		
Other	18	82
	18	82

14 Debtors

	Group		Charity	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Legacies and donations	322	362	322	362
Tax recoverable	378	1,301	378	1,301
Subsidiary company	-	-	136	125
Other debtors	860	1,524	812	1,591
Prepayments	437	691	437	600
	1,997	3,878	2,085	3,979
Movember accrued income*	15,000	-	15,000	-
Total debtors	16,997	3,878	17,085	3,979

*Movember income will be received in two instalments of £7.5m each in 2012/13 (May and December).

15 Creditors - falling due within one year

	Group		Charity	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade creditors	1,175	643	1,175	627
Other taxes and social security	106	98	106	98
Accruals and other creditors	310	1,140	335	1,140
Research commitments	1,680	3,015	1,680	3,015
	3,271	4,896	3,296	4,880

Deferred income included in the above amounted to £285,920 (2011: £91,000).

16 Creditors - falling due after more than one year

	Group		Charity	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Research commitments	1,504	2,075	1,504	2,075
Dilapidations provision	277	99	277	99
	1,781	2,174	1,781	2,174

17 Analysis of net assets between funds

	General Funds £'000	Restricted Funds £'000	Total Funds £'000
Tangible fixed assets (note 12)	250	-	250
Investments (note 13)	18	-	18
Current assets less liabilities	8,751	15,515	24,266
Net assets at 31st March 2012	9,019	15,515	24,534

18 Movement in funds

	Group	Charity			As at 31.3.2012 £'000
	As at 1.4.2011 £'000	Incoming £'000	Outgoing £'000	Transfers £'000	
Restricted funds Movember	-	15,000	-	-	15,000
Restricted funds charity Other:					
Research					
- Action Fund	-	105	(105)	-	-
- General research	210	617	(337)	-	490
- Research nurse	1	-	-	-	1
Helpline	56	682	(738)	-	-
Scotland development - Other	26	9	(35)	-	-
Scotland development -					
The Big Lottery Fund	5	-	-	-	5
African-Caribbean projects	2	-	-	-	2
Masterclasses	20	-	(11)	-	9
Older and Wiser	3	-	-	-	3
Volunteering	-	35	(35)	-	-
National Cancer Survivorship Initiative	-	5	-	-	5
Awareness	-	10	(10)	-	-
International fund					
	15	-	(15)	-	-
Total restricted funds charity Other	338	1,463	(1,286)	-	515
Total restricted funds:	338	16,463	(1,286)	-	15,515
Unrestricted funds:					
General fund	10,256	6,631	(8,560)	-	8,327
Designated funds:					
Scotland	-	205	(205)	-	-
Scotland Support Groups	-	45	(45)	-	-
Re-location fund	400	-	-	-	400
Survivorship research fund	355	-	(355)	-	-
Fixed asset reserves	292	-	-	-	292
Total designated funds	1,047	250	(605)	-	692
Total unrestricted funds	11,303	6,881	(9,165)	-	9,019
Total funds	11,641	23,344	(10,451)	-	24,534

19 Purposes of restricted funds

Movember Fund	Movember income from its 2011 campaign, restricted to finance spending on research (£7.5m) and survivorship services for men with prostate cancer (£7.5m) in 2012/13 and beyond.
Research Action Fund	Research into prostate cancer.
General research	Making awards to faculties for research that are not otherwise supported by organized or directed programmes.
Helpline	Helpline Support service including support services and literature
Scotland Development - The Big Lottery Fund	Developing 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	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 raising awareness of prostate cancer amongst women.
Masterclasses	Supporting the running of nursing masterclasses.
Older and Wiser	Raising awareness in the African Caribbean community, including the training of volunteers in London.
Volunteer Programme	Production of volunteering materials to support the volunteer programme for England and Wales.

20 Purposes of designated funds

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

Scotland	Any donations received by the Scotland office that are not restricted are classified as designated funds. These funds were spent on financing the costs of the charity's operations in Scotland.
Scotland Support Groups	This fund is for transactions involving the support groups that the charity supports in Scotland.
Re-location Fund	Costs to be incurred moving the London office.
Survivorship Research Fund	Funds designated by the charity for research in this area.
Fixed asset reserves fund	Amount representing the net investment in fixed assets.

21 Commitments under operating leases

At 31st March 2012, the charity had seven commitments under operating leases.

- Annual rent of £222,819 + VAT for the First floor London office, lapsing on 7th May 2017.
- Annual rent of £59,576 + VAT for the Ground Floor London Office, lapsing on 7th May 2017.
- Annual rent of £7,770 + VAT for the Glasgow Office, with three months' termination notice on either side.
- Annual rent of £3,696 + VAT for an additional unit for the Glasgow Office, with three months' termination notice on either side.
- Annual charge of £25,980 for photocopiers at the London office for 5 years from July 2008.
- Annual charge of £1,000 for one photocopier at the London office for 3 years from February 2011.
- Annual charge of £2,526 for one photocopier at the Glasgow office for 3 years from December 2010.

22 Note to group cash flow statement

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

	2012 £'000	2011 £'000
Net movement in funds for year before other recognised gains or losses	12,879	5,654
Investment income	(91)	(18)
Depreciation	161	149
(Increase)/decrease in debtors	(13,119)	(1,955)
Increase/(decrease) in creditors	(2,019)	3,151
	(2,189)	6,981
Analysis of net cash resources		
Cash at bank and in hand	12,321	14,480

During 2012 two separate short term deposits of £4.75m each which offer immediate access, were placed into sterling liquidity funds with Prime Rate Capital and Blackrock.

23 Related party transactions

There is an intercompany balance with the subsidiary of £15,977 (2011: £57,307). The Trustees of the charity have resolved to establish a current account between the charity and its subsidiary to assist with the cash flow requirements of the subsidiary during any accounting period.

The Council of Management is required to declare all outside interests. When any item arises where it may be considered a member has an interest it must be declared and the member concerned may not take part in that debate or any related decisions.

In March 2011, Glasgow University was awarded a research grant by the charity. Professor H Leung of Urology & Surgical Oncology at the Beatson Institute for Cancer Research and who is a Trustee, works closely with the University and declared an interest.

In March 2012, Imperial College was awarded a research grant by the charity to support research into prostate cancer. Professor J Waxman who is a Trustee and President of the charity, works closely with the University and declared an interest.

24 Non-adjusting post balance sheet event

The Group intends to enter into a merger with Prostate Action on 31st July 2012. This will be reflected in the accounts for the year ending 31st March 2013.



Prostate Cancer UK is such a worthy charity, that helps, supports and gives advice to people, friends and families who may have been touched by this awful disease.

A personal experience

Donate today

Every year, 40,000 men face a prostate cancer diagnosis. Thanks to our generous supporters, we offer information free to all who need it. If you would like to help us continue this service, please consider making a donation. Your gift could fund the following services:

- £10 could buy a Tool Kit – a set of fact sheets, tailored to the needs of each man with vital information on diagnosis, treatment and lifestyle.
- £25 could give a man diagnosed with prostate cancer unlimited time to talk over treatment options with one of our specialist nurses.

To make a donation of any amount, please call us on **020 8222 7666**, visit **prostatecanceruk.org/donations** or **text PROSTATE to 70004***. There are many other ways to support us. For more details please visit **prostatecanceruk.org/get-involved**

*You can donate up to £10 via SMS and we will receive 100% of your donation. Texts are charged at your standard rate. For full terms and conditions and more information, please visit prostatecanceruk.org/terms





**Speak to our
Specialist Nurses**

0800 074 8383*

prostatecanceruk.org

The helpline is open Mon - Fri 10am - 4pm, Wed 7pm - 9pm

* Calls are recorded for training purposes only.

Confidentiality is maintained between callers and Prostate Cancer UK.