



# **Trustees' report and accounts for the year ended 31 March 2004**

2447182.

Company registration number 2447182  
Charity registration number 1017658



# **Breast Cancer Care**

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# Breast Cancer Care

## Charity legal and administrative information

Royal Patron:	Her Royal Highness The Duchess of Kent GCVO		
Patrons:	Cherie Booth QC Geri Halliwell Professor Trevor Powles CBE		
Founder:	Betty Westgate MBE (1919 - 2000)		
Board of Trustees:	Dr Mary Armitage Michael Colin (3) appointed 16 September 2003 Susan Gray resigned 11 June 2003 Jane Hinnrichs (1) Stephanie Jacobs (1,2,3) Chair Susan Kalderon (2) Treasurer Robert Kemp (1,3) Secretary Jon Lansman (1,2) Vice Chair Sarah Reid deceased 4 January 2004 Elizabeth Sturgeon (1,3) Jeanette Webber		
Board Sub-committees:	Chief Executive's Committee	1	
	Finance Committee	2	
	Remuneration Committee	3	
Joint Chief Executives:	Christine Fogg Samia al Qadhi		
Registered and Central Office:	Kiln House 210 New Kings Road London SW6 4NZ		
Company Registration Number:	2447182		
Charity Registration Number:	1017658		
Auditors:	Deloitte & Touche LLP Verulam Point, Station Way St Albans AL1 5HE		
Bankers:	HSBC plc 315 Fulham Road London SW10 9QJ	COIF St Alphage House, 2 Fore Street London EC2Y 5AQ	
Solicitors:	Bates, Wells and Braithwaite 138 Cheapside London EC2V 6BB	Bircham Dyson Bell 50 Broadway London SW1H 0BL	McClure Naismith 292 St Vincent Street Glasgow G2 5TQ
Investment Managers:	JP Morgan Fleming Asset Mgt 10 Aldermanbury London EC2V 7RF	M&G M&G House, Victoria Rd Chelmsford CM1 1FB	

# Breast Cancer Care

## Report of the Board of Trustees for the year ended 31 March 2004

The Trustees present their Report and Accounts for the year ended 31 March 2004. The Board of Trustees has adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (October 2000) in preparing the Report and Accounts.

### Activities

Breast Cancer Care is a national charity, founded in 1973 for the purpose of offering information and support to those affected by breast cancer. During the year, the charity clarified its vision, mission and goals. In order to measure progress towards achieving our goals we have developed key performance indicators, which are shown below. In order to maintain quality, feedback is obtained continually from users. Additionally, each service undergoes a full evaluation during a pilot phase and subsequently as part of a rolling programme of evaluations. The organisation has experienced a period of rapid growth with four regional centres now established in Sheffield, Glasgow, London and Cardiff facilitating the achievements.

### Context

Breast cancer is now the most common cancer in the UK. In 2000, there were around 40,500 cases diagnosed in women and around 250 in men. The survival rate is around 77%. Breast cancer is the second biggest cause of death from cancer in women in the UK. In 2002, 12,838 women and 87 men died from breast cancer. It is estimated that around 172,000 women are alive in the UK who have been diagnosed with breast cancer in the previous ten years.

### Vision

Breast Cancer Care's vision is that everyone affected by breast cancer will receive the highest standards of treatment, support and care.

### Mission

Our mission is to make a significant and meaningful difference to the lives of people affected by breast cancer or with breast health concerns through the provisions of high quality, innovative, responsive services and by campaigning for excellence in breast cancer treatment and care.

### Goals and achievements

Our strategic goals and significant achievements are set out on pages 5 to 7 together with the plans for the forthcoming year and an explanation of the Lavender Trust.

### Commitments

Underpinning our goals is our commitment to:

- Partnership – we will work with others to achieve our vision, mission and goals and to influence best practice.
- Healthy organisation - we aim to provide a supportive, inclusive and enabling environment for staff and volunteers
- Diversity – we will be proactive and creative in our commitment to diversity
- Listening – we will listen to and be influenced by the experiences of people affected by breast cancer
- Efficiency – we will maximise activity levels while minimising support costs and achieving value for money
- Income – we will continue to generate the income and profile necessary to provide the quantity and quality of services.

### Income and expenditure

We have continued to generate the income and profile necessary to provide the quantity and quality of services. £6.2m income was raised during the year (15 months 2002/03 - £5.6m). We were able to maintain and build on our income in spite of having had exceptionally high staff turnover immediately prior to the start of the financial year. The cost of fundraising improved to under 21p for every £1 raised (2002/03 – 23p). Fundraising highlights were:

- Asda raised close to £2m via the 'Tickled Pink' campaign, doubling the previous year's income. Louise Redknapp recorded a special Breast Cancer Care single, and 'Tickled Pink' T-shirts were the fastest selling George merchandise for the second year running.
- Boots raised over £200,000 with the second 'Be Up Front' campaign through which they continue to support our breast awareness objectives.
- Breast Cancer Care's flagship event, the Fashion Show raised just under £250,000 through sponsorship, ticket sales and auctions. Our first ever Scottish Fashion Show raised the profile of Breast Cancer Care

## **Breast Cancer Care**

### **Report of the Board of Trustees for the year ended 31 March 2004**

Scotland and surpassed income targets. Approximately £1m was raised from Breast Cancer Care ribbon pin badges.

We would like to pass on our sincere thanks to all our funders, donors and supporters in the last year.

We plan to increase income to £7m in 2004/05 and to reach £10m within 3 years in order to fund the expansion in range and reach of charitable services, non-clinical research and campaigning.

Expenditure during the year was £4.6m (15 months 2002/03 - £4.2m). The year on year growth in annual expenditure was 37%. The surplus for the period was £1.8m.

# Breast Cancer Care

Report of the Board of Trustees for the year ended 31 March 2004

## Reach, Information and Support

### Goals

- **Reach** - to significantly increase access to and uptake of services by extending our reach and presence.
- **Information** - to ensure everyone affected by breast cancer or with breast health concerns receives accurate and easy to understand information.
- **Support** – to ensure everyone affected by breast cancer receives the necessary practical and emotional support.

### Achievements

- Breast cancer care continues to play a key role in the Coalition for Cancer Information. This year a number of booklets will be distributed through the NHS ordering and distribution system, with NHS approved branding.
- The high quality of our publications was recognised with a BMA award, the fifth award in five years. This time for our Younger Women's booklet. Our range of publications has been extended to 12 booklets and 37 factsheets on breast cancer and 10 breast health leaflets. In order to extend our reach, some key publications have been translated into Urdu and Welsh.
- The website [www.breastcancercare.org.uk](http://www.breastcancercare.org.uk) continues to grow in reach and is now accessed by a wide range of visitors day and night. Average daily visitors to the site reached 4,320 by March 2004 (March 2003 – 2,700)
- An independent evaluation of our help line, by the Telephone Helplines Association, reported that 100% of people interviewed who had used the help line said they would use the service again and recommend it to a friend. The telephone helpline answered 1,095 calls per month (2002/03 – 1,290). The 15% decrease in calls was due to staff shortages reflecting the national shortage of nurses. Following a highly successful recruitment drive for helpline nurses, the rate of calls answered has increased to 1,230 calls since the year-end.
- Breast Cancer Care's first support group for women with secondary breast cancer was launched at the Trafford Macmillan Care Centre. This resulted from a partnership with the Seagull Trust.
- *Headstrong*, a hair loss consultancy service, was run in hospitals in Doncaster and Halifax, in partnership with the Aurora Centre and a Macmillan Centre. Following successful evaluations of these pilots, the service will be extended around the UK.
- The action-learning programme trained nurses from all over the UK on facilitating support groups for women with secondary breast cancer. Additionally, over 200 nurses have participated in study days.

### Service user contacts during the year

	2003/04	2002
• <b>Information</b>	<b>1,914,100</b>	1,126,100
Information on breast health and breast cancer through to living well after treatment are provided through publications, website, telephone helpline and Ask the Nurse email helpline.		
• <b>Education and outreach</b>	<b>11,200</b>	8,000
Breast Cancer runs talks to improve breast awareness, provides training for shop staff on assisting women who have had mastectomies and training for health professionals.		
• <b>Psychological and emotional support</b>	<b>7,400</b>	2,800
Peer support from volunteers who have experienced breast cancer, online chat forum, 6-8 week courses on living with breast cancer, weekend forum devoted to younger women's issues, telephone support groups, support groups for women with secondary breast cancer.		
• <b>Practical and supportive care</b>	<b>665</b>	450
Healthy living days covering holistic therapies and well-being, prosthesis fitting, <i>Headstrong</i> hair loss consultancy service.		

## Breast Cancer Care

Report of the Board of Trustees for the year ended 31 March 2004

### Research, campaigning and policy

#### Goals

- **Research** - to develop a comprehensive psychosocial research portfolio that influences internal and external policy and service developments.
- **Campaigning and policy** - to act with and on behalf of people affected by breast cancer to develop a campaigning and policy programme in support of our vision, values and goals

#### Achievements

- Research into the way that women understand and perceive their risk of developing breast cancer resulted in our 80 over 50 campaign which highlighted the fact that 80% of women who are diagnosed with breast cancer are over the age of 50.
- Together with the National Osteoporosis Society, we ran a campaign for better information for women about the impact of breast cancer treatment on bone health.
- We launched Younger Women's Standards that set out the minimum standards of care that younger women diagnosed with breast cancer should be able to expect.
- All of our campaigns received excellent support from people affected by breast cancer as well as MPs and health professionals. We are now working closely with key stakeholders, including breast care nurses and other cancer specialists to ensure that we achieve further improvements across all of these areas.
- Research into the future of breast cancer provided insights into priorities for the coming years. Palliative and supportive care will probably rise significantly in the coming years, even though the UK has insufficient people, facilities or services to provide this care. There was a concern over the treatment of older patients with breast cancer, particularly about whether age has an adverse impact on decisions about treatment. The report, *Breast Cancer in the UK: What's the prognosis* was launched at our 30<sup>th</sup> anniversary conference, attended by over 300 people. The research also informed our work on the NICE Palliative and Supportive Care guidance and our submission to the Health Select Committee investigation into palliative care.

### The Lavender Trust

Breast Cancer Care's Lavender Trust raises money specifically to fund information and practical support for younger women with breast cancer. These are the only UK-wide services targeted towards this group. The Lavender Trust was set up at Breast Cancer Care in May 1998 in memory of journalist Ruth Picardie, as a restricted fund with separate branding and fundraising activity. However, it does not have a separate legal status as it operates under the legal and charitable status of Breast Cancer Care. Since its launch, the Lavender Trust has raised over £1,000,000 for Breast Cancer Care's services for younger women.

The activities at Breast Cancer Care which were funded by the Lavender Trust in 2003 included:

- Free publications looking at medical and emotional issues
- Specific online information and a dedicated chat forum as part of the Breast Cancer Care website
- Telephone support groups specifically for younger women
- Weekend 'younger women's forum' workshops
- The launch of a set of new 'Standards of care' for younger women with breast cancer

# Breast Cancer Care

Report of the Board of Trustees for the year ended 31 March 2004

## Plans

- We will continue to provide and build upon our existing range and quality of services such as the helpline and peer support services.
- We will establish a fifth centre in Birmingham. Following successful pilots, *Headstrong* will be run from all the centres, including via a partnership with Marie Curie.
- The range of publications will be extended. Further translations will be made including into Bengali and Arabic
- We are working in partnership with South Bank University to develop an accredited training and professional development programme for breast care nurses.
- We will establish more support groups, explore the development of specialist support groups and build partnerships with other organisations at a local level.
- Research into breast awareness within black and minority ethnic and socially excluded groups will enable us to strengthen networks within these communities and to understand better the information needs of different groups.
- The demand and need for prosthesis fitting services is changing as a result of advances in treatment of breast cancer. However, there is a need to ensure that those requiring prostheses have access to services that offer choice and quality.
- In collaboration with the Southampton School of Nursing, with funding from Breast Cancer Campaign, we are undertaking a 3-year research project into the needs of people with secondary breast cancer.

## Investment policy and returns

After reviewing investment performance, the equity funds in JP Morgan Fleming were sold for £505,000 and showed a realised gain of £94,000. In July 2003, £600,000 was invested with M&G Charifund. The unrealised gain in equities and bonds as at 31 March 2004 of £24,000 has been included in the Statement of Financial Activities (£175,000 unrealised loss in 2002/03).

Funds are also invested in cash deposits for the long term. The Finance Committee closely monitors the performance of the equity and bond fund units against other common investment funds. The charity follows an ethical policy specifically to exclude investments in tobacco companies because of the connection between smoking and cancer. The Board approved and annually reviews the Investment Policy. The charity has the power, under the Memorandum of Association, to invest funds not immediately required for charitable purposes.

## Reserves

The reserves policy takes into account Charity Commission guidance, risk management, long-term growth plans and dependence on a small number of donors and fundraising events linked to Breast Cancer Awareness Month. Reserves representing a minimum of six months' expenditure will be maintained throughout the year. The planned diversification of income streams is intended to enhance stability and to reduce the cyclical fluctuation of reserves which are at their lowest in September each year and at their highest in March. At the year-end, reserves stood at under thirteen months of the following year's budgeted expenditure. The Trustees continue to monitor the reserves of the charity.

## Governance

Breast Cancer Care is a registered charity and is constituted as a company limited by guarantee. Its governing documents are its Memorandum and Articles of Association, dated November 1989 and last revised in January 2000. The members of the Board of Trustees are the Directors in Company Law and the Trustees of the Charitable Company in Charity Law. The Board of Trustees delegates power to the Chief Executive's Committee, the Finance Committee and the Remuneration Committee, which operate under specific terms of reference. The meetings of committees are chaired by trustees and attended by staff. Each committee has its decisions ratified by the Board of Trustees where appropriate. From time to time, short-term working groups are also commissioned to consider a specific topic, being disbanded once the objectives have been met. A panel comprising existing Trustees selects new members of the Board of Trustees. Applications for Trusteeship are sought by a variety of methods depending on the skills required. One third of the Board are



## Breast Cancer Care

### Report of the Board of Trustees for the year ended 31 March 2004

required to have had personal experience of breast cancer. Trustees receive an induction and serve for a three-year period on average before requiring to be re-elected; one third of the Board is required to retire each year by rotation. The Chair performs trustee appraisals biennially. The Board meets quarterly and delegates day-to-day operation of the organisation to a senior management team.

The following members of the Board of Trustees will retire by rotation at the Annual General Meeting to be held on 8 September 2004 and, being eligible, will offer themselves for re-election: Mary Armitage, Rob Kemp and Elizabeth Sturgeon. Michael Colin will stand for election having been co-opted since the last Annual General Meeting.

#### Risk management and internal control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include: a strategic plan, three-year plans, annual operational plans and budgets approved by the Trustees; regular consideration by the Trustees of financial results, variance from budgets and non-financial performance indicators; risk management, delegation of authority, policies and procedures and segregation of duties.

The Trustees have implemented a formal risk management process to identify and assess business risks and implement mitigation strategies. Risk management is an integral part of the planning process. All staff, departments and Trustees are involved in identifying risks, evaluating and prioritising them in terms of potential impact and likelihood of occurrence and considering means of mitigating risks. Consideration has been given to action to reduce the probability of risks to an acceptable level and contingency plans to mitigate impact in the event of a risk materialising. The Trustees regularly review the adequacy of the charity's current internal controls as part of the risk management process. Key performance indicators enable the charity to monitor risks.

#### Statement of Trustees' responsibilities

Company and charity law requires the Board of Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing those financial statements, the Board of Trustees' members are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed and prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The Board of Trustees' members have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. Trustees are also responsible for keeping 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable reassurance that: the charity is operating efficiently and effectively; its assets are safeguarded against unauthorised use or disposition; proper records are maintained and financial information for publication or used within the charity is reliable and that the charity complies with relevant laws and regulations.

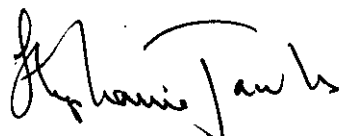
#### Auditors

A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board of Trustees

Signed by:

Stephanie Jacobs  
Chair

  
The July 2004 T.

Susan Kalderon  
Treasurer



## Breast Cancer Care

### Independent auditors' report to the members of Breast Cancer Care (a company limited by guarantee)

We have audited the financial statements of Breast Cancer Care for the year ended 31 March 2004 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, the cash flow statement, the notes to the cash flow statements, and the related notes 1 to 21. 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 section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Board of Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of Trustees and auditors

As described in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purposes of company law, are responsible for the preparation of financial statements which are required to be prepared in accordance with United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the report of the Board of Trustees is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read the report of the Board of Trustees and the other information contained in the annual report for the year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

#### Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 charity's and the group'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 affairs of the charity and the group as at 31 March 2004 and of the incoming resources and application of resources, including the income and expenditure of the charity and group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
St Albans

*16 August* 2004

## Breast Cancer Care

### Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2004

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2003- 04 12 months £'000	2002 - 03 15 months £'000
<b>Incoming Resources</b>					
Donations, Gifts, Sponsorships and Legacies	2	3,988	135	4,123	3,667
<i>Activities in furtherance of the charity's objects:</i>					
Project Grants	3	-	213	213	224
Conference and Other Income		62	-	62	66
<i>Activities for generating funds:</i>					
Merchandising Income	17	65	4	69	54
Events Income		1,476	70	1,546	1,411
Investment Income	4	174	4	178	172
<b>Total Incoming Resources</b>		<u>5,765</u>	<u>426</u>	<u>6,191</u>	<u>5,594</u>
<b>Resources Expended</b>					
Cost of generating funds:					
Fundraising Costs	5	1,157	45	1,202	1,252
Merchandising Costs	17	44	-	44	36
		<u>1,201</u>	<u>45</u>	<u>1,246</u>	<u>1,288</u>
<b>Charitable Expenditure:</b>					
Cost of activities in furtherance of the charity's objects:	5				
Policy and Research		356	4	360	202
Clinical and Information Services		991	190	1,181	939
National and Regional Services		737	110	847	678
Support Costs		839	19	858	969
Management and Administration		66	-	66	77
		<u>2,989</u>	<u>323</u>	<u>3,312</u>	<u>2,865</u>
<b>Total Resources Expended</b>		<u>4,190</u>	<u>368</u>	<u>4,558</u>	<u>4,153</u>
<b>Net Incoming Resources</b>		<u>1,575</u>	<u>58</u>	<u>1,633</u>	<u>1,441</u>
Unrealised Gains/(Losses) on Investment Assets	10	24	-	24	(175)
Realised Gain on Disposal of Investment Assets		94	-	94	-
<b>Net Movement in Funds</b>		<u>1,693</u>	<u>58</u>	<u>1,751</u>	<u>1,266</u>
Fund balances brought forward at 1 April		4,736	211	4,947	3,681
Fund balances carried forward at 31 March		<u>6,429</u>	<u>269</u>	<u>6,698</u>	<u>4,947</u>

There were no recognised gains or losses other than those shown in the statement above.  
All the above results derive from continuing activities.

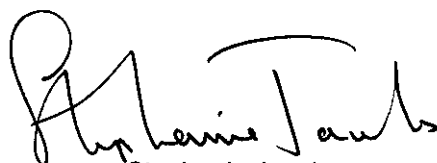
The notes on pages 13 to 21 form part of these accounts.

# Breast Cancer Care

## Consolidated and Charity Balance Sheets as at 31 March 2004

	Note	Group 2003 - 04 £'000	Group 2002 - 03 £'000	Charity 2003 - 04 £'000	Charity 2002 - 03 £'000
<b>Fixed Assets</b>					
Tangible Assets	9	34	35	34	35
Investments	10	<u>4,933</u>	<u>2,720</u>	<u>4,933</u>	<u>2,720</u>
		<u>4,967</u>	<u>2,755</u>	<u>4,967</u>	<u>2,755</u>
<b>Current Assets</b>					
Current Investments	11	1,417	1,715	1,417	1,715
Stock		-	4	-	-
Debtors	12	617	688	571	598
Cash at bank and in hand		<u>352</u>	<u>332</u>	<u>242</u>	<u>209</u>
		<u>2,386</u>	<u>2,739</u>	<u>2,230</u>	<u>2,522</u>
<b>Creditors: amounts falling due within one year</b>	13	655	547	499	330
<b>Net Current Assets</b>		<u>1,731</u>	<u>2,192</u>	<u>1,731</u>	<u>2,192</u>
<b>Total Assets less Current Liabilities</b>		<u>6,698</u>	<u>4,947</u>	<u>6,698</u>	<u>4,947</u>
<b>Net Assets</b>		<u>6,698</u>	<u>4,947</u>	<u>6,698</u>	<u>4,947</u>
<b>Funds</b>					
Restricted Funds	14	269	211	269	211
Unrestricted Funds:		-	-	-	-
Designated Funds	15	-	715	-	715
Other Charitable Funds		<u>6,429</u>	<u>4,021</u>	<u>6,429</u>	<u>4,021</u>
<b>Total Funds</b>	16	<u>6,698</u>	<u>4,947</u>	<u>6,698</u>	<u>4,947</u>

Approved by the Board of Trustees  
on 7 July 2004 and signed  
on its behalf by:

  
Stephanie Jacobs

Chairwoman

  
Susan Kalderon

Treasurer

The notes on pages 13 to 21 form part of these accounts.

# Breast Cancer Care

## Consolidated Cashflow Statement for the year ended 31 March 2004

	2003 - 04 12 months £'000	2002 - 03 15 months £'000
<b>Net cash inflow from operating activities</b>	<b>1,845</b>	<b>1,680</b>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(28)	(44)
(Increase) in fixed asset investments	(2,600)	(1,000)
Proceeds from sale of investments	505	-
	<b>(2,123)</b>	<b>(1,044)</b>
<b>Cash (outflow)/inflow before increase in liquid resources</b>	<b>(278)</b>	<b>636</b>
<b>Management of liquid resources</b>		
Decrease/(increase) in current investments	298	(601)
<b>Increase in cash in the year</b>	<b>20</b>	<b>35</b>

## Cashflow information for the group

### (a) Reconciliation of changes in resources to net inflow from operating activities

Net incoming resources before revaluations	1,633	1,441
Depreciation	29	46
Decrease in stocks	4	1
Decrease in debtors	71	50
Increase in creditors	108	142
<b>Net cash inflow from operating activities</b>	<b>1,845</b>	<b>1,680</b>

### (b) Reconciliation of net cashflow to movement in net funds/debt

Increase in cash in the period	20	35
Cash (inflow)/outflow from increase in liquid resources	(298)	601
Movement in net funds in the year	(278)	636
Net funds at 1 April 2003	2,047	1,411
Net funds at 31 March 2004	<b>1,769</b>	<b>2,047</b>

### c) Analysis of net funds

	1 April 2003 £'000	Cashflow £'000	31 March 2004 £'000
Cash at bank and in hand	332	20	352
Liquid resources	1,715	(298)	1,417
	<b>2,047</b>	<b>(278)</b>	<b>1,769</b>

# Breast Cancer Care

## Notes to the Accounts for the year ended 31 March 2004

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in October 2000, and with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the Board of Trustees are described below.

#### Group Accounts

The Group accounts consolidate the funds of the Charity and its wholly owned trading subsidiary company. Advantage has been taken of the exemption contained in FRS8, 'Related Party Transactions', where disclosure is not required in consolidated financial statements of intra-group transactions and balances eliminated on consolidation.

#### Incoming Resources

All incoming resources are included when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. The value of services provided by volunteers has not been included.

#### Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be attributed directly to particular areas they have been apportioned to activities on a basis consistent with use of the resources. All overheads have been apportioned on the basis of headcount.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those incurred in connection with governance of the charity and compliance with constitutional and statutory requirements.

#### Taxation

Breast Cancer Care, as a registered charity, is exempt from taxation of income falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that this is applied to its charitable objectives. No tax charge has arisen in the year. No tax charge has arisen in its trading subsidiary, Breast Cancer Care Trading Ltd, because of its policy of gifting its taxable profits to the parent charity each year.

Breast Cancer Care has no similar exemption from VAT. Irrecoverable VAT is included in the cost of those items to which it relates. During the year, group VAT registration was obtained and the charity and trading company were deregistered. All income and expenses are net of VAT.

#### Depreciation

Depreciation is charged on a straight line basis to write off the cost of the assets over their useful life as follows:-

Furniture, Fixtures and Fittings	20% per annum
Computers and Equipment	33.3% per annum

#### Stock

Stock comprises Christmas cards for sale at the lower of cost and net realisable value.

#### Publications, demonstration prostheses, swimwear and pin badges

Expenditure on publications, demonstration prostheses and swimwear is written off in the period such cost is incurred, as these have no resale value. Expenditure on pin badges is written off at the period end as pin badges with new designs are produced each year.

# Breast Cancer Care

## Notes to the Accounts for the year ended 31 March 2004

### 1. ACCOUNTING POLICIES (CONTINUED)

#### **Leases**

Rentals under operating leases are charged on a straight-line basis over the term of the lease. Further information on charges in the year and future commitments is given in note 6.

#### **Fixed Asset Investments**

Investments are valued in the Balance Sheet at their market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. Income from investments is included in the Statement of Financial Activities on a receivable basis.

#### **Pension Costs**

Permanent employees are entitled to join the Group Personal Pension scheme provided by Standard Life which was established on 1st April 1998. This is a contributory defined contribution scheme, administered by an independent scheme administrator. Scheme funds are independent of the charity and invested with Standard Life. Payments to the pension scheme are a fixed percentage of salary for each employee, and the amount charged in the income and expenditure account is the cost of the fixed percentage along with the costs of the independent scheme administrator. The cost of providing this pension scheme is charged to the statement of financial activities when it is incurred.

#### **Fund accounting**

Restricted, designated and general funds are separately disclosed, as set out in notes 14 and 15. The different funds held are defined as follows.

**Restricted funds** are subject to specific restrictions imposed by the donor or by the nature of the appeal.

**Designated funds** are set aside at the discretion of the Trustees for specific purposes. Details of the specific designated funds are given in note 15. All designated funds have now been fully utilised or released.

**Other charitable funds** are available to spend at the discretion of the Trustees in furtherance of the charitable objectives of the charity.

# Breast Cancer Care

## Notes to the Accounts for the year ended 31 March 2004

2. Donations, Gifts, Sponsorships and Legacies	Unrestricted Funds £'000	Restricted Funds £'000	2003 - 04 12 months £'000	2002 - 03 15 months £'000
Individual and Other Donations	505	47	552	570
Corporate Donations	1,017	26	1,043	1,388
Corporate Sponsorships	2,300	62	2,362	1,660
Legacies	166	-	166	49
	<u>3,988</u>	<u>135</u>	<u>4,123</u>	<u>3,667</u>

Corporate Donations include contributions with a market value of £290,000 received as goods in kind (2002-03: £Nil).

3. Project Grants	Unrestricted Funds £'000	Restricted Funds £'000	2003 - 04 12 months £'000	2002 - 03 15 months £'000
New Opportunities Fund	-	54	54	56
Community Fund	-	42	42	12
Welsh Council for Voluntary Action	-	5	5	-
Department of Health	-	-	-	3
Scottish Executive	-	-	-	4
Macmillan Cancer Relief	-	-	-	22
Grant-giving Trusts	-	112	112	127
	<u>-</u>	<u>213</u>	<u>213</u>	<u>224</u>

4. Investment Income	Unrestricted Funds £'000	Restricted Funds £'000	2003 - 04 12 months £'000	2002 - 03 15 months £'000
Interest Receivable	122	4	126	126
Other Investment Income	52	-	52	46
	<u>174</u>	<u>4</u>	<u>178</u>	<u>172</u>

5. Total Resources Expended	Staff Costs £'000	Direct Costs £'000	Allocated Costs £'000	2003 - 04 12 months £'000	2002 - 03 15 months £'000
Fundraising Costs	584	395	223	1,202	1,252
Merchandising Costs	1	39	4	44	36
Policy and Research	149	135	76	360	202
Clinical and Information Services	452	560	169	1,181	939
National and Regional Services	490	137	220	847	678
Support Costs	560	19	279	858	969
Management and Administration	35	22	9	66	77
	<u>2,271</u>	<u>1,307</u>	<u>980</u>	<u>4,558</u>	<u>4,153</u>



# Breast Cancer Care

## Notes to the Accounts for the year ended 31 March 2004

### 5. Total Resources Expended/contd

	2003 - 04 12 months £'000	2002 - 03 15 months £'000
Resources Expended include:		
Audit fees	16	18
Accountancy and taxation services	8	4
Investment managers' fees	2	5
Operating lease rentals:		
- equipment	32	29
- properties	344	290
Depreciation	29	46

### 6. Lease Commitments

Operating lease rentals of £376,943 (2002-03: £319,665) were payable in respect of equipment and properties held under leases in 2003-04. In the coming year the charity is committed to paying the following amounts in respect of operating leases, expiring:

	Equipment		Properties	
	2003 - 04 12 months £'000	2002 - 03 15 months £'000	2003 - 04 12 months £'000	2002 - 03 15 months £'000
Within one year	-	-	-	9
Between one and five years	13	11	340	310

### 7. Trustees' Remuneration

The trustees neither received nor waived any emoluments during the year (2002-03: £Nil).

Out of pocket expenses were reimbursed to trustees as follows:	2003 - 04 12 months No.	2002 - 03 15 months No.	2003 - 04 12 months £	2002 - 03 15 months £
	4	6	1,007	1,577

### 8. Staff Costs

	2003 - 04 12 months £'000	2002 - 03 15 months £'000
Employee costs during the year were:		
Salaries	1,937	1,845
Social Security Costs	193	170
Pension Contributions	141	137
	<u>2,271</u>	<u>2,152</u>

# Breast Cancer Care

## Notes to the Accounts for the year ended 31 March 2004

### 8. Staff Costs/contd

The number of employees whose emoluments as defined for taxation purposes amounted to over £50,000 in the period was as follows:

	2003 - 04 12 months No.	2002 - 03 15 months No.
£50,000 - £60,000	3	2
£60,000 - £70,000	0	1

All employees earning more than £50,000 participated in the pension scheme.

	2003 - 04 12 months No.	2002 - 03 15 months No.
The average weekly number of employees, calculated on a full time equivalent basis, analysed by function was:		
Charitable Activities	48	40
Cost of Generating Funds	17	13
Management and Administration of the charity	1	1
	<u>66</u>	<u>54</u>

The total number of employees in March 2004 was 94 (March 2003: 78).

### 9. Fixed Assets

	Furniture Fixtures & Fittings £'000	Computers & Equipment £'000	Total £'000
<b>Cost</b>			
At 1 April 2003	14	129	143
Additions	-	28	28
Disposals	(6)	(8)	(14)
At 31 March 2004	<u>8</u>	<u>149</u>	<u>157</u>
<b>Depreciation</b>			
At 1 April 2003	11	97	108
Charge for the year	2	27	29
Disposals	(6)	(8)	(14)
At 31 March 2004	<u>7</u>	<u>116</u>	<u>123</u>
<b>Net Book Value</b>			
At 31 March 2004	<u>1</u>	<u>33</u>	<u>34</u>
At 31 March 2003	<u>3</u>	<u>32</u>	<u>35</u>

# Breast Cancer Care

## Notes to the Accounts for the year ended 31 March 2004

### 10. Fixed Asset Investments

	2003 - 04 12 months £'000	2002 - 03 15 months £'000
Market value at 1 April 2003	2,720	1,895
Additions	2,600	1,000
Disposal proceeds	(505)	-
Realised gain on disposal	94	-
Unrealised net gains/(losses) on revaluation at 31 March 2004	24	(175)
Market value at 31 March 2004	<u>4,933</u>	<u>2,720</u>
Historical cost at 31 March 2004	<u>4,900</u>	<u>3,000</u>
Fixed Asset Investments are represented by:		
Fixed interest securities	299	309
Equity shares	634	411
Cash deposit funds	4,000	2,000
Total Fixed Asset Investments held in the UK	<u>4,933</u>	<u>2,720</u>

Investments held by the charity also include an additional £2 (2002-03: £2) investment in the subsidiary company at cost (see note 17).

### 11. Current Investments

	Group 2003 - 04 £'000	Group 2002 - 03 £'000	Charity 2003 - 04 £'000	Charity 2002 - 03 £'000
Money Market and Bank Deposits	<u>1,417</u>	<u>1,715</u>	<u>1,417</u>	<u>1,715</u>

### 12. Debtors

	Group 2003 - 04 £'000	Group 2002 - 03 £'000	Charity 2003 - 04 £'000	Charity 2002 - 03 £'000
Trade Debtors	299	448	-	-
Other Debtors	106	60	106	60
Prepayments	212	180	212	180
Amounts owed by the subsidiary company	-	-	253	358
	<u>617</u>	<u>688</u>	<u>571</u>	<u>598</u>

### 13. Creditors: Amounts falling due within one year

	Group 2003 - 04 £'000	Group 2002 - 03 £'000	Charity 2003 - 04 £'000	Charity 2002 - 03 £'000
Trade Creditors	-	31	-	-
Other Creditors	385	260	365	200
Accruals	56	64	56	64
Taxation and Social Security	214	192	78	66
	<u>655</u>	<u>547</u>	<u>499</u>	<u>330</u>

# Breast Cancer Care

## Notes to the Accounts for the year ended 31 March 2004

### 14. Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants to be held on trust for specific purposes:

	Balance at 1 April 2003 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2004 £'000
New Opportunities Fund	-	54	(54)	-
The Community Fund	2	42	(30)	14
Lavender Trust Fund	195	214	(212)	197
Women's Nationwide Cancer Control Campaign	9	-	(9)	-
Secondary Breast Cancer Services	-	14	-	14
Information and Health Promotion	-	32	-	32
Aftercare Services	5	-	(5)	-
Client Support Services	-	3	(3)	-
Southern Regional Services	-	3	(3)	-
Northern Regional Services	-	10	-	10
Welsh Services	-	5	(3)	2
Scottish Client Education Services	-	36	(36)	-
Other Scottish Services	-	13	(13)	-
	<u>211</u>	<u>426</u>	<u>(368)</u>	<u>269</u>

The New Opportunities Fund grant provides part funding for a three year programme to provide information and support to black and socially disadvantaged communities.

The Community Fund grant provides three years part funding for development of client services in Wales.

The Lavender Trust Fund raises funds specifically to provide support and information services for younger women.

The grant from the Women's Nationwide Cancer Control Campaign provided funding for breast awareness campaigns and leaflets.

### 15. Designated Funds

The income funds of Breast Cancer Care include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2003 £'000	Utilised £'000	Released £'000	Balance at 31 March 2004 £'000
Strategic Development - Policy & Research	284	(273)	(11)	-
Strategic Development - Clinical and Information Services	134	(25)	(109)	-
Strategic Development - National and Regional Services	297	(32)	(265)	-
	<u>715</u>	<u>(330)</u>	<u>(385)</u>	<u>-</u>

# Breast Cancer Care

## Notes to the Accounts for the year ended 31 March 2004

### 15. Designated Funds/contd

The strategic development funds were created in 2001 for three years:

Policy and Research - funding of a new Policy and Research Unit

National Services - funding of Clinical Services and Training & Support Manager posts

Local Services - funding of management costs for the Wales local service centre

### 16. Analysis of Group Net Assets between Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund balances at 31 March 2004 are represented by:			
Tangible Fixed Assets	34	-	34
Investments	4,933	-	4,933
Current Assets	2,117	269	2,386
Current Liabilities	(655)	-	(655)
Total Net Assets	<u>6,429</u>	<u>269</u>	<u>6,698</u>

### 17. Subsidiary Company

The charity owns the whole of the issued ordinary share capital of Breast Cancer Care Trading Limited, a company registered in England. The subsidiary is used for trading activities, including the sale of merchandise, cause-related marketing agreements, corporate sponsorships and events subject to tax.

All activities have been consolidated on a line by line basis in the Statement of Financial Activities.

The total net profit of the company is gifted to the charity.

A summary of the results of the subsidiary is shown below:

	Merchandising £'000	Corporate Income £'000	Events £'000	2003 - 04 12 months £'000	2002 - 03 15 months £'000
Turnover	69	2,417	238	2,724	2,176
Cost of Sales	(39)	(75)	0	(114)	(216)
Gross Profit	<u>30</u>	<u>2,342</u>	<u>238</u>	<u>2,610</u>	<u>1,960</u>
Other Income	-	5	-	5	6
Management fee paid to the charity	(5)	(224)	(12)	(241)	(230)
Other expenses	-	(1)	-	(1)	(13)
Net Profit	<u>25</u>	<u>2,122</u>	<u>226</u>	<u>2,373</u>	<u>1,723</u>

The aggregate of the assets, liabilities and funds was:

	£	£
Assets	408,477	574,720
Liabilities	(408,475)	(574,718)
Funds (representing 2 ordinary shares of £1 each)	<u>2</u>	<u>2</u>

# **Breast Cancer Care**

## **Notes to the Accounts for the year ended 31 March 2004**

### **18. Associated company**

Pink Ribbon Limited, a company registered in England and Wales, is an associated undertaking. Breast Cancer Care together with two other national breast cancer charities, Breast Cancer Campaign and Breakthrough Breast Cancer, jointly own Pink Ribbon Limited. The company was dormant during the year.

### **19. Related Party Transactions**

The trustees are not aware of any related party transactions during the year which require disclosure under the Statement of Recommended Practice: Accounting by Charities (2000).  
(2002-03: £4,112.50)

### **20. Trustee Indemnity Insurance**

During the year, the charity purchased insurance to indemnify the trustees against the consequences of neglect or default on the part of the trustees. The cost of the insurance was £3,111 (2002-03: £2,333).

### **21. Taxation**

Breast Cancer, as a charitable organisation is exempt from taxation of its income and gains to the extent that they are applied to its charitable objectives. No tax charge arises in the subsidiary entity included in the group accounts due to its policy of gifting all taxable profits to Breast Cancer Care each year.