



(A company limited by guarantee)

Charity Number (SC): SC039731

Charity Number (E&W): 1105703

Company Number: 05048319

Financial Statements

For the year ended

31 December 2012

Cancer Recovery Foundation UK

Contents Page

| | Page |
|-----------------------------------|-------------|
| Report of the Trustees | 1 to 8 |
| Independent Auditors' Report | 9 to 10 |
| Statement of Financial Activities | 11 |
| Balance Sheet | 12 |
| Notes to the Financial Statements | 13 to 18 |

REFERENCE AND ADMINISTRATIVE INFORMATION

England and Wales Charity Number: 1105703

Scotland Charity Number: SC039731

Company Number: 05048319

Registered / Principle Office: Garden Studios
71-75 Shelton Street
London
WC2H 9JQ

Trustees & Directors: Mr. G Anderson
Mr. B. Brice
Mr. J. Moore

Company Secretary: BDB Secretarial Limited

Auditors: Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Bankers: Barclays Bank Plc
7th Floor
180 Oxford Street
London
W1D 1EA

Solicitors: Bircham Dyson Bell
50 Broadway
Westminster
London
SW1H 0BL

Cancer Recovery Foundation-U.K.
(A company limited by guarantee)
Report of the Trustees May 2013
For the year ended 31 December 2012

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

Cancer Recovery Foundation-UK (CRF-UK) is a registered charitable company (England and Wales Registered Charity No 1105703, Scotland Registered Charity No SC039731 and Company No 05048319) limited by guarantee and governed by its Memorandum and Articles and Constitution dated 18 February 2004. The liability of each member in the event of the winding up is limited to £1.

The members of the Board of Trustees, here after referred to as 'the Board' or 'the Trustees' are set out above. For the purposes of company law, the people listed are both Trustees and Directors of the Company.

The information shown on the pre-ceding page forms a part of this report.

Recruitment and Appointment of Trustees

Trustees are appointed for an initial term of three years. At the Board's 17 November 2010 meeting, the Board approved Trustee service and retirement provisions to reflect operational practices consistent with the Companies Act of 2006 and the Charities Act of 2006. Any vacancies arising are filled by the selection and appointment of suitable persons by the Trustees. There shall be at least three Trustees who meet regularly throughout the period to oversee the charity.

Due to the nature of the charity's objectives in dealing with individuals undergoing treatment for cancer and their families, the Trustees seek to ensure that this group are appropriately reflected through the diversity of the Trustees body. The Trustees believe that this gives the charity and its staff an understanding that enhances the benefits that it brings to its beneficiaries.

Trustees Induction and Training

Most Trustees are already familiar with the practical works of the charity. New Trustees are invited and encouraged to meet with the existing Trustees as well as Founding Trustee, Gregory B. Anderson, to discuss and familiarise themselves with the charity and the context within which it operates. This includes future plans and objectives of the charity as well as plans and activities of Cancer Recovery Foundation International (CRFI), the affiliation of which CRF-UK is a member.

Additionally, Trustees take an active part in the seminars and programmes, participate in annual planning and are kept updated with a monthly flow of programme, fundraising and administrative reports. All major issues and decisions facing CRF-UK are addressed by the Trustees and they are adequately trained and informed to carry out such duties.

Organisation

The strategic direction of the Charity is the responsibility of the Board. The current Trustees met throughout the year to discuss the management of the charity. A scheme of delegation is in place for the day-to-day running of the charity.

Cancer Recovery Foundation-U.K.
(A company limited by guarantee)
Report of the Trustees May 2013
For the year ended 31 December 2012

Related Charities

CRF-UK co-operates on various matters including sharing (a) programme services design, (b) marketing strategies and (c) administrative planning and control procedures with Cancer Recovery Foundation International (CRFI), a charity based in the United States. CRFI is an umbrella organization, a not-for-profit business league, whose goal is to improve the health, well-being and survivorship of cancer patients worldwide. As of 31 December 2012, member organizations include Cancer Recovery Foundation(s) of America, Canada, Germany and the UK. Mr. Gregory B. Anderson is the Founding Chair and CEO of CRFI. CRFI's various member organizations are completely separate and independent with no legal, financial or other connection or interdependency existing. No CRFI member organization has any duty to report to any other or follow similar policies, programmes or procedures.

Objects

The Charity's principal objects are, throughout the world:

- To relieve sickness and advance education, including in particular in relation to the provision of services and resources to meet medical, emotional, psychological, spiritual and other needs of individuals as an integrated approach to prevent and treat cancer; and
- To relieve poverty and economic hardship associated with the experience of cancer.

Aims and Objectives for the Public Benefit

The Trustees have referred to and discussed the implications of the provisions of the Charities Act 2011, which state that all charities must demonstrate that they are established for public benefit, and have had due regard to the public benefit guidance issued by the Charily Commission.

The Trustees believe that the Charity meets the key principles by continuing to implement three key strategic direct service charitable programmes, one aimed at adults, one aimed at children and a new initiative aimed at breast cancer prevention and survival.

The major objective of the Charity's Adult Programme Services is to educate and provide support to cancer patients, family members and healthcare providers regarding cancer prevention and recovery all from an integrated and holistic cancer care perspective. This is accomplished through a significant offering of educational and supporting materials, both print and web-based, the distribution of Survivor Packs, seeking media coverage of the issues, educational seminars and support for all individuals who contact the charity in need of support. As an additional element of the Adult Programmes, the Charity helps relieve the financial hardship that often occurs as a result of a family member suffering from cancer. Among the emergency financial services provided, the Charity assists families who may be dealing with overdue liabilities for utilities, pays for transportation to and from cancer treatments and provides other similar non-medical social welfare services.

The major objective of the Charity's Children's Programme Services is to provide non-medical support to children who are currently undergoing cancer treatments. The Charity provides BEAR-Able[®] Gift Bags to these children whilst they are hospitalized for treatment. The bags contain age and gender-appropriate toys, games, crafts, books and other objects to distract them, assist with skill development, enable them to express themselves to therapists and reward good behaviour during treatment. The Charity also offers specific Survivor Packs for the families of children with

Cancer Recovery Foundation-U.K.
(A company limited by guarantee)
Report of the Trustees May 2013
For the year ended 31 December 2012

cancer to support them in staying well, and offer the same financial support as available through the adult programme.

The major objective of the Charity's new Breast Cancer Partnership is breast cancer prevention. The Charity regularly communicates to the public that a considerable body of high-quality research indicates that nearly 80% of breast cancers can actually be prevented through a variety of lifestyle choices. Towards this end, the Charity devotes significant funds to public education, encouraging women to understand the evidence regarding links between nutrition, exercise, stress management and breast cancer prevention. Many of these same practices also apply to breast cancer recovery. The Charity communicates these principles through a significant offering of educational and supporting materials, both print and web-based. In addition, there is a specially designed Breast Cancer Survivor Pack which is distributed to people who have been diagnosed.

Programme Service Achievements & Performance

The Charity's primary activity during the period was focused on Children's Programme Services which exceeded goals in 2012. Referrals from NHS Primary Care Trusts resulted in more children and families benefitting from the Charity's services than was expected. BEAR-Able® Gift Bags exceeded annual objectives with over 6,400 Gift Bags being distributed, a new record.

The Charity's Adult Programme Services reached more than 250,000 recipients in 2012. This took the form of wide-scale public education and patient support through a variety of print, broadcast, Internet, Royal Mail and live support programmes. The emphasis was on teaching and equipping recipients regarding the Charity's unique holistic integrated cancer prevention, care and survival strategies. As part of these public education and support endeavours, a concurrent goal of raising the public profile of the Charity was also met. This generated 1,435 direct Adult service responses to people dealing with cancer. 45 of these were requests for the new Survivor Packs.

The Family Emergency Fund is a major programme service of the Charity and in 2012, requests once again far exceeded expectations. It is clear this is driven by the difficult economic conditions in the UK. The Foundation was able to honour a total of £76,205 of these requests, a decrease of £27,460. This amount was reduced because of the lower level of fundraising. The Trustees continue to analyze this programme and study how to better meet the demand as well as serve the Charity's constituents without becoming a welfare outreach.

CRF-UK received and immediately distributed a medical gift-in-kind in 2012. The gift was a variety of cancer medicines and medical supplies. The gift was given to the Asociación de Instituciones Unidas para Ayudar a los Pobres y Enfermos de Guatemala. The value of the gift (including shipping costs) was £1,964,295. This was divided amongst hospitals across the country, each of which treats thousands of patients.

Fundraising Activities

At present, the Charity's principal funding source is direct mail appeals. These mailings employ both conventional mail appeals as well as the use of upfront premiums such as address labels, pens and the like. The Charity's name and identification are often inscribed on these premiums thus enhancing the public's awareness of the organisation and increasing approaches for support.

After thoroughly reviewing previous period results and considering a variety of alternatives, the Trustees determined to retain the services of the professional fundraising service incumbents. The Trustee's stated goal was to further the Charity's existing donor database by emphasizing

Cancer Recovery Foundation-U.K.
(A company limited by guarantee)
Report of the Trustees May 2013
For the year ended 31 December 2012

mailings to current donors and minimizing mailings to potential donors. As the Trustees previously directed a search for an alternate or additional professional fundraiser, the Executive Director was tasked with implementing programs where additional or alternative sources of revenue could be developed.

The Charity's management authorized a series of twelve (12) conventional direct campaigns to the house file during the period. Total retention letters were 265,923. In addition, two (2) conventional mail acquisition campaigns were implemented. Total conventional acquisition letters were 50,793.

Management also authorized fourteen (14) sweepstakes retention mailings totalling 288,290 letters. In addition, seven (7) sweepstakes acquisition mailings were implemented totalling 137,148 letters.

The Charity's management continued to study alternatives for direct response fundraising for its new Breast Cancer Partnership programme outreach. Previous direct mail tests did not perform well. Management is currently seeking options for both programming and fundraising using the Internet and social media platforms.

The Charity's management previously entered into an agreement with a firm to conduct a clothing collection programme. This effort tested well in the previous fiscal period and continues to perform strongly in 2012. It is the intent of management to continue expansion of this successful programme.

It is noted that all such fundraising efforts serve the dual purposes of public education regarding cancer prevention and survival as well as seek and encourage financial support for the Charity's programmes.

The Trustees conducted an in-depth analysis of the fundraising results for 2012. This year the Charity raised £1.19-million versus £1.27-million in cash contributions (including gift aid) during the similar period in 2011, a decrease of 6.3%. Much of this decrease was due to a reduction in the number of letters mailed. This also reduced direct mail costs. However, the per-piece production costs increased due to lower volumes. In addition, the Charity has experienced lower average gifts over the past three years.

The Trustees discussed how critical it is that direct mail must no longer be viewed as the major source of revenue. This is a challenge that has confronted the Charity for several years. The dual problems of rising costs and decreasing average gifts mandate that additional sources of revenues must be found.

Risk Management

The Trustees once again examined the major strategic, business and operational risks that the Charity faces. This analysis involved identifying specific risks, assessing their potential impact, their likelihood of occurrence and determining what steps could be taken to mitigate such risks.

A Risk Register is kept which lists and rates thirteen (13) potential risks. In turn, each risk is analyzed by a variety of factors including severity of impact and likelihood of occurrence. Once again in 2012, the greatest risk was determined to be the charity's dependence on a single source of revenue, namely direct mail fundraising. Steps to mitigate this risk include (a) making diversification of revenue sources the number one priority of management, (b) maintenance of adequate reserves and (c) regular monthly monitoring of direct mail net surplus.

Cancer Recovery Foundation-U.K.

(A company limited by guarantee)

Report of the Trustees May 2013

For the year ended 31 December 2012

Financial Review

The Board noted that the decrease in cash income of 6.3%, from £1.27-million to £1.19-million, including gift aid, was due to a lower volume of direct mail. Management's strategy in the previous fiscal period was to purge the file of records who had not given in the past 24 months. It was hoped this would yield a more cost-effective direct mail programme. Both revenue and costs were lower but net results did not meet expectation. The issues of lower response rates and lower average gifts, coupled with higher unit costs resulted in an operating loss of £31,223 in 2012.

The charity's gifts-in-kind efforts continued in 2012 with a gift of cancer medicines to Asociación de Instituciones Unidas para Ayudar a los Pobres y Enfermos de Guatemala. This programme is focused on providing cancer medications to hospital partners in developing countries. 2012 gift-in-kind activities totalled £1.96 -million including shipping costs. The Trustees wish to continue this programme in response to the fact that nearly 80.0% of the world's cancer burden is experienced by poor and developing countries whereas only 5.0% of global cancer resources are spent in these populations.

The Charity decreased total expenditures for 2012 from £3,812,663 to £3,174,322, a decrease of 16.7%.

Ongoing growth in revenue is again a core challenge. One of the issues the Statement of Financial Activities makes clear is that the escalating costs of direct mail fundraising are not sustainable. The Board again directed the Charity's management to research and recommend programmes to (a) diversify the funding base and (b) reduce fundraising costs.

The Trustees again note the urgency to move away from direct response fundraising as costs continue to rise while average gifts and frequency of giving fall. Finding new sources of revenue at lower costs of fundraising is the major challenge for CRF-UK.

Investment Policy

The Charity has no material investments or endowments at this time. Funds which may be uncommitted are placed in interest-bearing deposit accounts to maximise earnings.

Reserves Policy

The Trustees have examined the Charity's requirements for reserves in light of the key risks to the organisation. The Board has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the Charity should be approximately equal to six (6) months expenditure, excluding GIK and its related shipping costs. Such reserves are needed to meet the working capital requirements of the charity. At period's end, the Charity carries uncommitted funds of £41,896 or less than two (2) weeks reserves based on the organization's 2012 cash spend. The Trustees note the need to build reserve funds and intend to do this by finding new sources of revenue at lower costs of fundraising and continuous implementation of the diversification strategy as highlighted above.

Future Plans

The Charity is dedicated to expanding its charitable programmes with an emphasis on prevention of cancer before detection and survival. Most notable is CRF-UK becoming the leading voice in the cancer community for vitamin D supplementation as a breast cancer preventative.

The Trustees previously authorized formation and start-up funding of a new programme service directed toward the holistic cancer prevention and integrated treatment of breast cancer. Titled

Cancer Recovery Foundation-U.K.
(A company limited by guarantee)
Report of the Trustees May 2013
For the year ended 31 December 2012

"The Breast Cancer Partnership," this program seeks to reach women with information and support concerning lifestyle choices and breast cancer. The goal is to work toward true prevention, not the current early detection objective. This initiative will be the focus of the Charity's programme service expansion over the next three to five years.

The Charity will continue to review and adopt successful Programme Service initiatives that have been proven to be readily accepted by other CRFI member organizations. An increased emphasis on children's cancer is one example of this, as are the Survivor Packs.

As previously noted an ongoing goal of the Charity is to diversify revenue sources, lower the cost and improve the efficiency of its fundraising efforts.

The Trustees previously authorized the establishment of a trading company whose profits would fund programme services of the Charity. Legal counsel has advised that the Charity can start trading activities on a limited basis and incorporate once certain revenue thresholds are reached.

Longer term, the Trustees believe the Charity can become a major voice in the United Kingdom and around the world in the delivery of public education and direct services that relieve sickness, advance prevention and survival education plus alleviate economic hardship for people facing cancer.

Statement of Trustees Responsibilities

The trustees (who are also directors of Cancer Recovery Foundation - UK for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cancer Recovery Foundation-U.K.
(A company limited by guarantee)
Report of the Trustees May 2013
For the year ended 31 December 2012

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Kingston Smith LLP has indicated their willingness to continue in office and is deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

Small Company Exemption

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008).

On Behalf of the Trustees



Mr B Brice, Trustee

30.7.13

Dated

Independent Auditors' Report to the Members of Cancer Recovery Foundation (UK)

We have audited the financial statements of Cancer Recovery Foundation UK for the year ended 31 December 2012 which comprise the Statement of Financial Activities [*the Summary Income and Expenditure Account*], the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008), United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's trustees and members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and the charitable company's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement, 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 auditors 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 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 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 Annual Report 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its 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 applicable to Smaller Entities; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 And regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent Auditors' Report to the Members of Cancer Recovery Foundation (UK)

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:

- adequate accounting records have not been kept 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' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Neil Finlayson
.....

Neil Finlayson, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: *28/8/2013*

Kingston Smith LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Cancer Recovery Foundation UK
Statement of Financial Activities
For the Year Ended 31 December 2012

| | Note | 2012 | 2011 |
|---|------|-------------------------|-------------------------|
| | | £ | £ |
| Incoming Resources | | | |
| Incoming resources from generated funds | | | |
| <i>Voluntary income</i> | | | |
| Donations and similar incoming resources | 4 | 3,140,114 | 3,734,273 |
| <i>Investment income</i> | | | |
| Interest receivable | | <u>2,985</u> | <u>1,655</u> |
| Total Incoming Resources | | <u><u>3,143,099</u></u> | <u><u>3,735,928</u></u> |
| Resources Expended | | | |
| <i>Costs of generating funds</i> | | | |
| Fundraising Activities | | 554,529 | 569,765 |
| <i>Charitable activities</i> | 5 | 2,611,201 | 3,234,708 |
| <i>Governance costs</i> | 7 | <u>8,592</u> | <u>8,190</u> |
| Total Resources Expended | | <u><u>3,174,322</u></u> | <u><u>3,812,663</u></u> |
| Net movements in funds | 2 | (31,223) | (76,735) |
| Total funds brought forward at 1 January | | <u>74,179</u> | <u>150,914</u> |
| Total funds carried forward at 31 December | | <u><u>42,956</u></u> | <u><u>74,179</u></u> |

There were no recognised gains or losses other than the deficit reported for the financial year.

All incoming resources relate to unrestricted funds.

The notes on the accompanying pages form a part of these Financial Statements

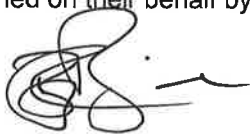
Cancer Recovery Foundation UK
Balance Sheet
As at 31 December 2012

| | Note | 2012 £ | 2012 £ | 2011 £ | 2011 £ |
|---|-----------|------------------|----------------------|------------------|----------------------|
| Fixed Assets | 9 | | <u>1,060</u> | | <u>2,014</u> |
| Current Assets | | | | | |
| Debtors and prepayments | 10 | 174,212 | | 169,327 | |
| Cash at bank and in hand | | <u>183,297</u> | | <u>374,544</u> | |
| | | 357,509 | | 543,871 | |
| Creditors: Amounts falling due within one year | 11 | <u>(315,613)</u> | | <u>(471,706)</u> | |
| Net Current Assets | | | <u>41,896</u> | | <u>72,165</u> |
| Total Net Assets | | | <u><u>42,956</u></u> | | <u><u>74,179</u></u> |
| Unrestricted Funds | | | | | |
| General reserve | 12 | | <u><u>42,956</u></u> | | <u><u>74,179</u></u> |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes on the accompanying pages form a part of these Financial Statements

The financial statements were authorised for issue by the Trustees on 30.7.13 and signed on their behalf by:



..... Trustee
 Mr B. Brice

Company Number: 05048319

Cancer Recovery Foundation UK

Notes to the Financial Statements

For the Year Ended 31 December 2012

1 Accounting Policies

The financial statements follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) issued March 2005 and the Financial Reporting Standards for Smaller Entities (effective April 2008). They have been prepared under the historical cost convention.

The principal accounting policies of the company are set out below and are unchanged from the prior year.

Income

All incoming resources are included in the statement of Financial Activities when the charity is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Investment income, including bank interest, is included when receivable

Public Donations and Gifts-in-Kind

Incoming resources in the form of Gifts-in-Kind are included in the Statement of Financial Activities only when assets donated to the charity are distributed. Gifts-in-Kind are donations of commodities directly usable in charitable programmes, such as food, blankets, books, agricultural and medical supplies. The Charity has an internationally recognised and accepted monitoring programme in place to ensure that commodities are appropriately valued at wholesale or less, culturally appropriate for the designated programme, and can be both properly shipped and distributed gratis to the designated beneficiaries.

Donated Services

Donated services recognised in the accounts are recognised only when monetary value can be assigned to them.

Gift Aid Repayments

Income from gift aid repayment claims is only included for claims which have been submitted for tax periods ending on or before the year end and when the receipt of this income is reasonably

Resources Expended

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly in the effort to raise voluntary contributions (cost of generating funds);
- expenditure incurred directly to the fulfilment of the charity's objectives (charitable activities); and
- governance costs

Charitable activities comprises all the expenditure incurred by the charity in meeting its charitable objectives and is further analysed between:

- Grants payable
- Education and development

Cancer Recovery Foundation UK

Notes to the Financial Statements

For the Year Ended 31 December 2012

1 Accounting Policies (continued)

Where items of expenditure involve more than one cost category these costs have been apportioned on a reasonable basis as determined by the trustees. One particular area where the cost is material to the charity is in the production and distribution of the mail

As the charity is in its infancy, one of the purposes of the mail shot is to develop a database of names of people with a particular interest in the activities of the charity and its charitable

Furthermore the expenditure has been allocated on the basis of whether the educational content of the individual mail shot is significantly high enough so as to be material. When this holds true the remaining cost of the mail shot is allocated on a pro-rata basis comparing the educational content (costs in furtherance of the charity's objects) to the fund raising content (costs of generating funds). The educational content is determined by the amount of text and space on each mail shot that is dedicated to material of an educational nature.

Fund raising expenditure i.e. text that may induce a donation from the recipient, is allocated upon the basis of the volume of the text and space that is not related to text of an

Governance costs comprise strategic and institutional costs of the overall organisation including audit and relevant legal fees.

Fund Accounting

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction, the average rate being used as an approximation to this rate. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the statement of financial activities.

Tangible Fixed Assets and Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible

| | |
|----------------------|-----------------------|
| Computer Equipment | 5 years straight line |
| Furniture & Fixtures | 4 years straight line |

All tangible fixed assets costing more than £250 are capitalised at their cost to the charity.

Operating Leases

The lease on the office accommodation is treated as an operating lease, and the payments are charged to the statement of financial activities on a straight line basis over the lease term.

2 Net movement in funds

| 2012 | 2011 |
|------|------|
| £ | £ |

The surplus of expenditure over income is stated after charging:

Auditors' remuneration:

| | | |
|---|-------|-------|
| - Audit services | 6,309 | 6,009 |
| - Accountancy and other professional services | 9,577 | 9,797 |
| | 9,577 | 9,797 |

Cancer Recovery Foundation UK
Notes to the Financial Statements
For the Year Ended 31 December 2012

3 Staff Costs

| | 2012 | 2011 |
|-----------------------|---------|---------|
| | £ | £ |
| Salaries | 125,711 | 125,687 |
| Social security costs | 12,856 | 13,029 |
| Pensions | 2,164 | - |
| | 140,731 | 138,716 |

There were no employees whose emoluments amounted to greater than £60,000 (2011: None)

| | 2012 | 2011 |
|---|------|------|
| The average number of paid employees over the year was: | 5 | 4 |

4 Voluntary Income

| | 2012 | 2011 |
|----------------------------|-----------|-----------|
| | £ | £ |
| Donations | 1,033,633 | 1,111,619 |
| Legacy income | 9,964 | - |
| Gift Aid claims | 149,798 | 163,600 |
| Gifts in Kind (see Note 6) | 1,946,719 | 2,459,054 |
| | 3,140,114 | 3,734,273 |

5 Costs of Charitable Activities

| | Direct Expenditure £ | Gifts in Kind £ | Support Costs (Below) £ | 2012 Total £ | 2011 Total £ |
|--|----------------------------|--------------------|-------------------------------|--------------------|--------------------|
| <i>Adult Programmes:</i> | | | | | |
| Education and development | 314,588 | - | 289,752 | 604,340 | 678,763 |
| Medicinal relief of persons with cancer and related illnesses (see Note 6) | - | 1,946,719 | 17,576 | 1,964,295 | 2,478,550 |
| <i>Children Programmes:</i> | | | | | |
| Emotional and psychological | 22,157 | - | 20,409 | 42,566 | 77,395 |
| | 336,745 | 1,946,719 | 327,736 | 2,611,201 | |
| 31 December 2011 | 437,870 | 2,459,054 | 337,784 | | 3,234,708 |

Support costs

| | Fundraising £ | Charitable £ | 2012 Total £ | 2011 Total £ |
|-----------------------------|------------------|-----------------|--------------------|--------------------|
| Legal and Professional fees | 14,596 | 5,659 | 20,255 | 26,468 |
| Bookkeeping | 3,031 | 4,263 | 7,294 | 7,616 |
| Travel | 250 | 1,025 | 1,275 | 3,173 |
| Other Overheads | 37,228 | 316,789 | 354,017 | 357,162 |
| | 55,105 | 327,736 | 382,841 | |
| 31 December 2011 | 56,636 | 337,784 | | 394,420 |

Cancer Recovery Foundation UK

Notes to the Financial Statements

For the Year Ended 31 December 2012

5 Cost of Charitable Activities (continued)

Support costs are allocated between fundraising and education on percentages consistent with the allocation of expenditure on mailing costs

6 Gifts in Kind

The following donations made during the year were claimed as Gifts in Kind and are valued in accordance with current market conditions prevailing when the gifts were made.

| Country | Number of shipments | Gifts in Kind Value | Shipping Costs | 2012 £ | 2011 £ |
|---------|---------------------|---------------------|----------------|------------------|------------------|
| Ghana | 1 | <u>1,946,719</u> | <u>17,576</u> | <u>1,964,295</u> | <u>2,478,550</u> |

7 Governance Costs

| | 2012 £ | 2011 £ |
|--------------------------------------|--------------|--------------|
| Auditors' remuneration: current year | 6,309 | 6,009 |
| Non-audit services | <u>2,283</u> | <u>2,181</u> |
| | <u>8,592</u> | <u>8,190</u> |

8 Taxation

The company, being a registered charity, is not liable for corporation tax in respect of its operations for the year.

9 Fixed Assets

| Cost or Valuation | Fixtures & Fittings £ | Office Equipment £ | Total £ |
|-----------------------|--------------------------|-----------------------|--------------|
| At 1st January 2012 | 2,243 | 6,090 | 8,333 |
| Additions | - | 549 | 549 |
| At 31st December 2012 | <u>2,243</u> | <u>6,639</u> | <u>8,882</u> |
| Depreciation | | | |
| At 1st January 2012 | 1,542 | 4,777 | 6,319 |
| Charge for the year | <u>175</u> | <u>1,328</u> | <u>1,503</u> |
| At 31st December 2012 | <u>1,717</u> | <u>6,105</u> | <u>7,822</u> |
| Net Book Value | | | |
| At 31st December 2012 | <u>526</u> | <u>534</u> | <u>1,060</u> |
| At 31st December 2011 | <u>701</u> | <u>1,313</u> | <u>2,014</u> |

Cancer Recovery Foundation UK
Notes to the Financial Statements
For the Year Ended 31 December 2012

| 10 Debtors | 2012 | 2011 |
|----------------------|----------------|----------------|
| | £ | £ |
| Other Debtors | 4,329 | 5,727 |
| Gift Aid Recoverable | 169,883 | 163,600 |
| | <u>174,212</u> | <u>169,327</u> |

| 11 Creditors: Amounts falling due within one year | 2012 | 2011 |
|--|----------------|----------------|
| | £ | £ |
| Trade creditors | 273,110 | 377,184 |
| Accruals and deferred income | 40,417 | 90,527 |
| Social security & other taxes | 1,557 | 3,466 |
| Net wages creditor | 529 | 529 |
| | <u>315,613</u> | <u>471,706</u> |

| 12 Unrestricted Funds | Balance at | Balance of | Balance at 31 |
|------------------------------|-----------------------|--------------------|----------------------|
| | 1 January 2012 | Expenditure | December 2012 |
| | £ | over Income | £ |
| | | £ | |
| General reserve | <u>74,179</u> | <u>(31,223)</u> | <u>42,956</u> |

13 Members' Liability

The Charity is a company limited by guarantee. In the event of winding up, the members' liability is limited to £1.

14 Trustees' Remuneration and Expenses

No trustees received any remuneration during the current or preceding period.

Expenses totalling £Nil were reimbursed to trustees in respect of travel and subsistence (2011 - £310 to two trustees).

15 Connected party transactions

The charity had paid management charges during the year to Cancer Recovery Foundation International, a charity of which Greg Anderson is also a trustee, of £73,859 (2011 - £106,929). At the year end the charity owed Cancer Recovery Foundation International £3,823 (2011 - £10,189).

Cancer Recovery Foundation UK

Notes to the Financial Statements

For the Year Ended 31 December 2012

16 Operating Leases

At 31st December 2012 Cancer Recovery Foundation had annual commitments under operating leases as set out below:

| Expires: | 2012 £ | 2011 £ |
|----------------------------|---------------|---------------|
| Office accomodation | | |
| Within 1 year | <u>10,800</u> | <u>12,500</u> |