



Report and accounts

2012 – 13

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What we do



Given the choice, most of us would want to die at home, surrounded by the people we cherish. Marie Curie Cancer Care makes this possible. Over the financial year 2012/13, we reached a total of 38,777 patients.

Marie Curie Nurses

Our nurses give free hands-on care to people with all terminal illnesses in their own homes, and vital emotional support to their loved ones. Over the financial year 2012/13, Marie Curie Nurses provided 1.3 million hours of nursing to 30,880 patients.

Marie Curie Hospices

Marie Curie Cancer Care's nine hospices provide free specialist care for those with serious illnesses, and emotional support for their families, giving them the best possible quality of life.

In 2012/13, Marie Curie Hospices reached 7,897 patients.

There are Marie Curie Hospices in Belfast, Bradford, Edinburgh, Glasgow, Hampstead (London), Liverpool, Newcastle, Cardiff and the Vale (Penarth) and the West Midlands (Solihull).

Research

Marie Curie Cancer Care is a leader in research into the best ways of caring for people with terminal illnesses, and how care could be improved in future. We have our own research teams, and we fund external research programmes.

Campaigning for patients

Marie Curie Cancer Care campaigns on behalf of people with a terminal illness and their families across the UK. We work with parliamentarians, policymakers, the NHS

and other charities to improve the quality of services for patients, families and carers.

Our funding

All our services are always free to patients and their families, thanks to the generous support of the public. We fund our nursing services and hospices in 50/50 partnership with the NHS.

Report of the Chairman and the Chief Executive



John Varley, Chairman

This has been a good year for Marie Curie Cancer Care, despite a challenging financial landscape, and continued change in the NHS.

- We cared for more patients (38,777 people – up 9%).
- Independent research by the Nuffield Trust found that Marie Curie nursing enables more people who choose to die at home to do so.
- We are increasingly supporting patients with terminal illnesses *other than* cancer.
- Thanks to the generosity of our supporters, our finances are sound, with continued growth in fundraising.

care for patients and families. Over the year, researchers funded by Marie Curie published 27 papers (compared with 28 the previous year). Topics were varied, and included improving end-of-life care in nursing homes and the perspectives of bereaved family carers on a loved one dying at home. As part of our drive to ensure quality, the work of the Marie Curie Palliative Care Centre at the Wales Cancer Trials Unit in Cardiff was peer-reviewed by an international committee of experts.

We believe that the results of research funded by Marie Curie should be available to all. Our new open access policy for publications ensures that our work is freely available.

Wider reach

We are seeking to make our services available to people who may find it difficult to access our care, including young people moving from children's to adult support services, people from black and minority ethnic groups, people with learning disabilities and members of the lesbian, gay, bisexual and transgender (LGBT) community.

Changes to the structure of our caring services are helping our nursing service and hospices to work seamlessly together. We have devolved more responsibility to front-line managers, enabling them to respond flexibly to local needs and circumstances.

The Marie Curie Nursing Service has continued to grow, reaching a total of 30,880 patients during the year (up 11% on 2011/12). Hours of care provided – at 1.3 million – have grown by 2%. Growth in demand from the NHS is greatest for services involving our nurses visiting multiple patients in a single shift (Multi Visit and Rapid Response).

In England, changes to the NHS mean that 152 Primary Care Trusts are being replaced with more than 200 Clinical Commissioning Groups. We aim to form strong relationships with these new commissioners, actively engaging them to show the value and effectiveness of our services.



Dr Jane Collins, Chief Executive

Better care

We believe that Marie Curie Cancer Care should lead the field in providing outstanding care for terminally ill patients and their families. Our patients deserve it, and our supporters expect it.

We have increased the emphasis on quality assurance in all areas of the charity. Our introduction of a new national Clinical Governance Board, which is chaired by the Chief Executive, is helping us drive improvement in our caring services. We have refined the charity's audit and internal inspection processes, tightened up the reporting of incidents, and increased the speed at which we communicate vital information about services across the organisation.

We have formed a user group, Expert Voices, the members of which have experienced end-of-life services as carers. This group now takes part in internal inspections of our hospices, and is consulted about proposals for new services. Increasing the involvement of patients and families in our work, and ensuring that we act on their feedback, is helping us better meet their needs.

Research activities are an essential part of the charity's pioneering mission to improve

A rigorous independent study¹ looking at the experiences of 30,000 people who were cared for by the Marie Curie Nursing Service was published by the Nuffield Trust in November 2012. It provided strong evidence that patients who receive care from a Marie Curie Nurse are more likely to be able to die at home, if that is what they choose, and less likely to have to go into hospital.

Patients with an illness other than cancer made up 30% of Marie Curie Nursing Service patients, and we anticipate that this proportion will continue to grow.

Our nine Marie Curie Hospices provide first-rate specialist care to people with any terminal illness. They cared for a total of 7,897 people – a slight fall in numbers, largely because of the impact of three major building projects to improve services at the Edinburgh, Cardiff and the Vale (Penarth) and West Midlands (Solihull) hospices.

Our new Marie Curie Hospice for the West Midlands is designed around the needs of patients and families and offers a high level of privacy, dignity and choice, while more than doubling our capacity for care. The Big Build appeal, which part-funded construction, attracted support from across the region and has now reached its £7 million target.

Our hospices for Cardiff and the Vale and Edinburgh underwent major refurbishments. The transformed buildings offer greater privacy and dignity, and the potential for expanding services.

The Marie Curie Helper service, in which trained volunteers provide companionship and support to people with a terminal illness and to their families, has continued to expand. It is now operating in five parts of the UK, and we plan to introduce services in three further areas in the financial year 2013/14.

Marie Curie Helper is just one of a wide range of volunteering roles across Marie Curie Cancer Care. The charity received the

Queen's Jubilee Award for Volunteering which recognises our progress in increasing the contribution of volunteers, and the difference our volunteers make to patients and families.

We recognise the differing needs of communities in the four countries of the UK. Our Advisory Boards for Northern Ireland, Scotland and Wales continue to share their valuable understanding of local circumstances.

Stronger foundations

As a charity, Marie Curie Cancer Care depends on the support of the public to fund its work. Despite the difficult state of the economy, and appalling weather in March, we ran our biggest and most successful Great Daffodil Appeal, with a record number of volunteer collectors and more income than ever before.

We invested in fundraising campaigns which ask people to make a regular donation to the charity. As a result, we recruited a record 51,315 new donors during the year, and growth in this area is ongoing.

Volunteer Fundraising Groups are an essential part of our fundraising strategy, and play a vital role in getting the Marie Curie message across in communities across the UK. This year, we recruited 118 new groups, bringing the total to 359. Together they raised over £3 million.

Three major corporate partnerships – Santander, Rank Group and Homeserve – raised over £1 million. The *Text Santa* ITV Christmas appeal also provided significant income and national TV coverage.

We are communicating with increasing numbers of supporters online, especially through social media, which will reduce our supporter recruitment cost. We are conducting a cross-organisational review of

¹ Chitnis, Georghiou, Steventon and Bardsley (2012) *The impact of the Marie Curie Nursing Service on place of death and hospital use at the end of life*. Nuffield Trust

how technology can help us to provide better care for more patients and families, reach more people and raise more money.

We expanded our policy and public affairs activities in all four nations, strengthening our work with parliamentarians and other policymakers. Marie Curie hosted parliamentary and party conference events, and forged strategic partnerships with other organisations. We published major policy reports on care for young people making the transition to adult care services; the needs of carers; and the need to improve care outside hospital settings.

Looking ahead

While we face continued change in the NHS, particularly in England, and a turbulent financial environment, we are confident that Marie Curie is in a strong position. The charity has sound finances and continuing growth in fundraising. Our end-of-life care services have an excellent reputation. However, we are not complacent and are working hard on a programme of ongoing improvement.

Without the hard work and wonderful support of our staff, volunteers, supporters, Council members, Advisory Boards and Patrons we would not have achieved the successes of 2012/13. We hope to continue to draw on their commitment in 2013/14.

We are developing an ambitious strategic plan for the years 2014–17, based on new research into the needs of patients. As a leader in end-of-life care, Marie Curie Cancer Care's mission will be to transform care for terminally-ill people in the UK.



John Varley, Chairman



Dr Jane Collins, Chief Executive

Impact report

This Impact Report shows the progress we have made in achieving our targets for the financial year 2012/13, the second year of our current three-year strategic plan.

Our strategic plan for 2011–2014 identified nine themes:

Better care

- Delivering the **right care**, in the **right place**, at the **right time**
- **Hospices being the hub** of their communities
- Always improving **quality**

Wider reach

- **Research and development** to improve end of life care for everyone
- Being **better known** and understood
- **Helping communities** build better local care

Stronger foundations

- Increasing the **money we raise** to fund our services
- Growing our **volunteer** support
- Improving our **efficiency and effectiveness**, striving always to demonstrate value for money

Better care

1. Delivering the right care, in the right place, at the right time

We will ensure high-quality care is provided to people who have the greatest need at the end of their lives, giving them the choice to die at home. Our care will be available for people with cancer and other illnesses and be easy to access and free of charge. Organisations which commission our services will see that we provide value for money.

Analysis

The NHS in England has undergone a period of major change, with responsibility for commissioning of services transferring from Primary Care Trusts to Clinical Commissioning Groups. There are more than 200, and the charity has made contact with all the new commissioners to ensure that all Marie Curie Nursing Services continue. We have also been able to identify opportunities for increasing the provision of care.

The Nuffield Study found that 76.7% of Marie Curie Nursing Service patients died at home and only 7.7% in hospital compared with only 34.9% of the control group dying at home while 41.9% of the control group died in hospital.

Target 2012/13

Increase the numbers of patients reached by the Marie Curie Nursing Service by 10%.

Engage with GPs, new NHS commissioning bodies and potential partners to demonstrate the Marie Curie Nursing Service's contribution to value for money and high quality end-of-life care.

Work with the Nuffield Trust to deliver an analysis comparing the hospital use and place of death for Marie Curie Nursing Service patients to those of matched controls.

Achievement

Patient numbers were up 11% for the year.

We are working with new NHS commissioning bodies in England. No contracts were lost on the transfer to Clinical Commissioning Groups, and income from commissioners has increased by 7%. We have continued to work collaboratively with commissioners in Northern Ireland, Scotland and Wales.

A large, independent research study by the Nuffield Trust found that Marie Curie nursing enables more people with terminal illnesses to have the choice to die at home.

2. Hospices being the hub of their communities

Marie Curie Hospices will reach out to more patients and families and will improve end-of-life care in the communities they serve.

Analysis

This has been a year of major improvement works at the charity's hospices. In addition to the completion of the West Midlands hospice, major refurbishments were undertaken in our Edinburgh and Cardiff and the Vale hospices. Both premises had to be vacated for builders to carry out their work, so we provided our services temporarily from NHS premises. All services continued throughout the period although in-patient numbers and outpatient and day care attendances at the hospices affected were lower.

Target 2012/13

Complete refurbishment of the Edinburgh and the Cardiff and the Vale Hospices.

Achieve 10% increase in the number of home visits by hospice Community Nursing Service Teams.

Complete hospice strategy and implement new ways of working.

Complete the construction of the West Midlands hospice and open the new facility for patients by March 2013.

Achievement

The refurbishments were completed within the budget and on time.

Homecare visits from our hospices were up 11%.

The strategy was completed, but further work is underway on implementing new ways of working.

The new Marie Curie Hospice, West Midlands opened for patients in January 2013, and we sold the old Solihull hospice site.

3. Always improving quality

We will continuously improve all our services for patients and families, whatever the economic environment, so that they receive the highest quality care and support.

Analysis

Marie Curie services continue to receive excellent feedback from patients and positive comments from external inspectors. Care Quality Commission (CQC) inspectors in June 2012 said of the Marie Curie Nursing Service: "Our current overall judgement is that Marie Curie Nursing and Domiciliary Care Services are meeting all the essential standards of quality and safety inspected." The Social Care and Social Work Improvement Scotland (SCSWIS) said: "Marie Curie Services are providing very high standards of care and support to people who are nearing the end of life and wished to remain at home." Further details are included in the charity's Quality Report.

Target 2012/13

Achieve a high rate of patient satisfaction measured through patient surveys.

Develop the charity's formal structures for improving quality of care.

Review and improve how we use patients and families as a source of expertise.

Develop the HealthAssure database to identify and monitor areas for improvement.

Achievement

98% of Marie Curie Nursing Service and hospice patients rated the service as good or excellent in our annual survey.

We created new clinical governance structures to strengthen the oversight of the quality of the care we provide.

Members of our Expert Voices Group (who all have experience of end-of-life care) are regularly being consulted about services and now take part in hospice inspections.

We acquired the HealthAssure system, with training for key staff being implemented.

Wider reach

4. Research and development to improve end-of-life care for everyone

We will be known as a leader in end-of-life care research and development that brings direct benefits to patients and families. We will provide a significant increase in funding for this work.

Target 2012/13

Establish a Marie Curie Research Governance Framework that incorporates independent experts and trustees on an advisory committee.

Renew the partnership with Cancer Research UK which allocates funding for the Marie Curie Cancer Care Research Programme to select the best proposals submitted.

Increase the number of peer-reviewed journal publications arising from Marie Curie's research facilities and grant awards by 10%.

Achievement

A preliminary meeting has been held to discuss ways to establish high-level independent advice on future research strategy and governance.

We extended the partnership with Cancer Research UK for three years.

There were 27 publications arising from research funded by Marie Curie, one fewer than the prior year.

Analysis

Charity accounting regulations require that the financial statements include the total of grants awarded, which may cover multiple years. If we examine the amount we awarded in grants by the year in which they are to be spent, the growth in palliative care research funding compared with 2009/10 was 12.8%.

Analysis

There has been increasing development of our website and digital presence. Content has been added to support our fundraising activities, and we have added new sections for commissioners giving details of Marie Curie's services and the impact that they have. There are new pages with a wide range of information for patients and families. Visits to our website are up 21% from 2012/13.

5. Being better known and understood

We will raise our profile at local and national level to reach more patients and families to influence health policy in all four countries and to grow our fundraising and support.

Target 2012/13

Develop online functionality to support In Memory and Tribute funds and to help increase the recruitment of Fundraising Groups and fundraising activities in aid of the charity.

Increase online event income by 20%.

Publish six reports that demonstrate the range of patients that Marie Curie works with.

We will influence the development of end-of-life care policy and legislation throughout the UK.

Achievement

Functionality has been added for In Memory and Tribute funds, and major new content added to support the work of Fundraising Groups.

Online event income has increased by 26%.

We have published six reports aimed at end-of-life care commissioners and policymakers. We also prepared more than 46 briefings on key issues.

We influenced the draft Care and Support Bill and the Wales End of Life Care Plan. The NHS Health and Social Care Board has agreed that Marie Curie will undertake a Delivering Choice review of end-of-life care provision across Northern Ireland.

6. Helping communities build better local care

We will support and encourage local communities and initiatives to improve the availability and quality of end-of-life care for people at home.

Target 2012/13

Recruit 15 volunteers with an interest in influencing health policy.

Develop a team of volunteers who will be equipped to influence local decision making through local Health and Wellbeing boards.

Develop the use of social media to support our campaigning work on end-of-life care.

Develop the "In your area" content of our website to help patients and families find information and support

Achievement

Our Expert Voices volunteers have contributed to policy development.

Initial scoping has taken place, but more work needs to be done.

We produced a social media guide and are extensively using social media to share messages about end-of-life care.

We launched improved "In your area" functionality in November 2012.

Stronger foundations

7. Increasing the money we raise to fund our services

We will deliver this Strategic Plan by increasing the income we generate through fundraising. We intend to raise more income from individuals, trusts and companies, and we will actively review other potential sources of charitable income.

Analysis

It has been a very successful year in fundraising, with income significantly higher than the prior year as Marie Curie has increased the number of people who support the charity regularly, as well as the number of collectors for the Great Daffodil Appeal. The charity received £3.9 million from Great Daffodil Appeal collections in the year – an increase of almost 16% on the prior year.

Shops sales were affected by the bad weather in the final quarter, but shops still increased their profit by getting more supporters to donate stock under Gift Aid.

Target 2012/13

Increase the level of fundraising income by 10% compared with the prior year.

Recruit 600 new Fundraising Groups by March 2014.

Recruit 57,300 new committed givers through internal and external sources.

Raise the remaining funds for the West Midlands hospice.

Improve net profit from shops compared with the prior year.

Achievement

Fundraising income was 10% ahead of last year.

By March 2013 we had started 359 Fundraising Groups, fewer than planned, but the new groups that were formed raised more money than expected.

We recruited 51,315 new regular donors – slightly below target.

The BIG Build Capital Appeal for the Marie Curie Hospice, West Midlands reached its £7 million fundraising target.

Shops sales and profits in the final quarter were affected by the weather, but profit was 1% higher than the prior year.

8. Growing our volunteering support

By expanding our volunteer support, we will deliver more care for patients and families – and raise the money to pay for it.

Analysis

There is an increasing demand for volunteers. During the year, we opened a total of nine shops, 118 new Fundraising Groups and started three new Marie Curie Helper projects all of which required significant recruitment of new volunteers.

We received the Queen's Diamond Jubilee Award for Volunteering, recognising the difference our volunteers make to patients and families.

Target 2012/13

Recruit 1,000 more regular volunteers.

Reduce the length of time volunteers take to go through our recruitment process.

Ensure our volunteers know we value them by celebrating their contribution.

Pilot the Marie Curie Helper service working with an independent hospice and a housing organisation.

Achievement

We recruited 1,600 volunteers in 2013/14, over 1,000 for community fundraising including new Fundraising Group members, 330 volunteers for our hospices, over 100 volunteers for our shops and 79 Marie Curie Helper volunteers.

We have speeded up our reference process and plan further improvements for 2013/14

We held successful Volunteers' Week events, and 10,000 thank you cards were issued to volunteers.

Marie Curie Helper launched new services with St Joseph's hospice in London and with the Northern Ireland Housing Executive.

9. Improving our efficiency and effectiveness, always demonstrating value for money

We will continuously improve the cost-efficiency and effectiveness of everything we do to ensure we maximise the money spent on patient and family care.

Analysis

New ways of working have been implemented in the ways Marie Curie Nurses are allocated to patients and in the way services are co-ordinated. This has helped reduce the support costs of the Marie Curie Nursing Service.

Marie Curie participates in the Finance Count survey which provides detailed comparative data to enable the trustees to compare the cost of the support services with other charities.

Target 2012/13

Reduce the Marie Curie Nursing Service management costs to increase the proportion spent on the direct cost of care.

Review fundraising support processes.

Marie Curie Finance and HR expenditure will be lower than a benchmark of peer group charities and lower than the prior year percentage.

Achievement

Nursing service support and management costs were reduced by 10%.

We have streamlined the way we bank donations from supporters and thank them, which will reduce costs.

Marie Curie's expenditure on Finance was 1.0% compared to 1.9% for the peer group benchmark. For HR, Marie Curie expenditure was 0.9% compared with 1.3% for the benchmark.

Our finances

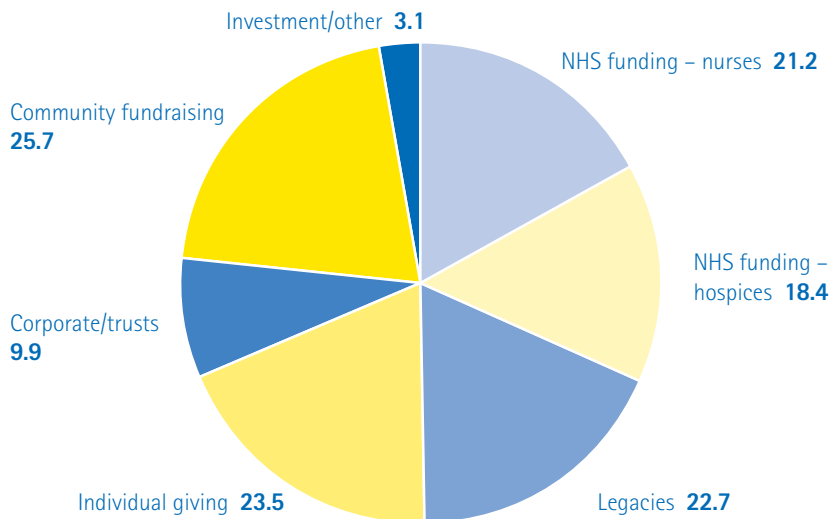
Target 2012/13

Increase our income to fund the planned growth in charitable services.

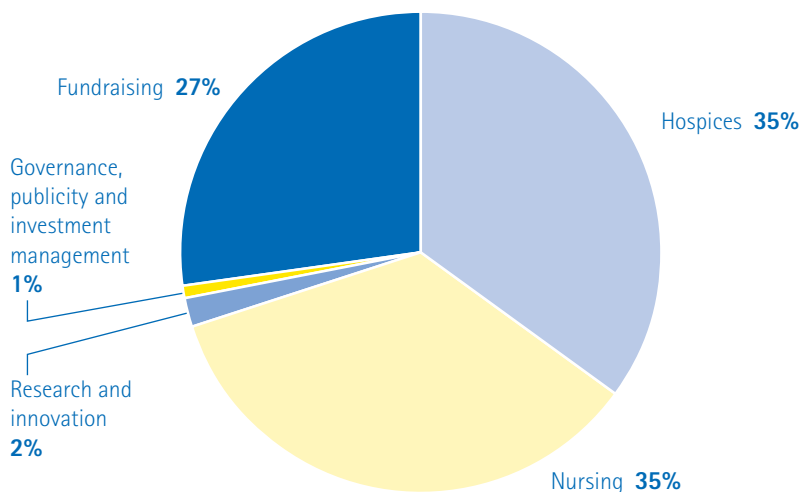
Achievement

Fundraising income has increased by 10% and Shops income by 3%, enabling the charity to extend the reach of its services in the year.

Income 2012/13 (£ million)



Expenditure 2012/13 (%)



Analysis

As demand for the Marie Curie Nursing Service continues to increase faster than the ability of the charity to grow its fundraising income, the charity's trustees have allowed the charity to continue to invest and authorised a planned deficit budget for 2012/13. The final result, although still a deficit, represents an improvement on the amount originally budgeted. The trustees have agreed a further deficit budget for 2013/14 but expect that investment in donor recruitment and other fundraising activities will mean that the charity will no longer have a deficit on income and expenditure from 2015/16.

Report of the Council

for the 12 months ended 31 March 2013

Objectives

Marie Curie Cancer Care is a national charity which is dedicated to the care of people with terminal illnesses.

Activities

In order to meet these objectives, Marie Curie Cancer Care has three principal charitable activities:

Hospices

Marie Curie operates nine hospices across the UK which provide a full range of palliative care services including in-patient care, daycare activities, outpatient services and homecare visits by specialist staff. Marie Curie receives an annual grant from the NHS towards the cost of the hospices but has to raise more than half of the funding from charitable donations.

Marie Curie Nursing Service

Marie Curie operates a nursing service which cares for people in their own homes. Marie Curie works in partnership with the NHS and has a contract with more than 200 NHS primary care organisations, covering virtually every part of the UK. Marie Curie receives some funding from the NHS but relies on charitable donations to operate these services.

Research and development

The charity carries out and funds research into better ways to care for patients with terminal illnesses. The charity provides funding for three centres for palliative care research, which are based in University College London, Cardiff University and the University of Liverpool. The charity also runs a research grants programme which funds projects on an open competitive basis, in collaboration with other research organisations.

Marie Curie also has a major programme of development to improve the quality of

care provided to patients at the end of their lives. This includes the Delivering Choice Programme which works with local providers and commissioners of care to develop the best possible local services for palliative care patients, regardless of diagnosis, so that they are cared for in the place of their choice.

Policy information and awareness

The charity seeks to influence the policy of the governments in each of the four home countries for the benefit of patients with terminal illnesses and their families and to promote awareness of issues facing patients approaching the end of life.

Achievements and future plans

A detailed analysis of the aims of the charity for 2012/13 and the progress made towards achieving those aims is shown in the *Impact Report* on pages 8–15.

The targets contained in the *Impact Report* are based on the charity's Strategic Plan for the period from 2011 to 2014. The objectives and targets contained in the Strategic Plan are kept under continual review by the Council (the trustees of the charity) particularly in the current uncertain economic climate. The Council has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Development of charitable activities

Hospices

Occupancy of hospice in-patient beds was affected by refurbishment works, which were undertaken in the year at both the Edinburgh and the Cardiff and the Vale hospices

as well as by the completion of the new Marie Curie Hospice for the West Midlands. Although each of the hospices continued to provide patient care throughout this period, patient numbers were lower due to building works and the transfer of the services to and from temporary premises. Non in-patient services, which comprise daycare and outpatient attendances and homecare visits, were able to record a slight increase in activity of 0.4% despite some disruption to facilities as a result of the refurbishment works.

Marie Curie Nursing Service

Despite the financial pressures it faces, the NHS commissioned 7% more care from the Marie Curie Nursing Service. The number of patients cared for by the nursing service increased by 11%.

Research

The charity provides grants for funding palliative care research to researchers at UK universities. Marie Curie continues to provide funding of £1 million per annum for research projects on key issues in palliative care, and in partnership with Dimbleby Cancer Care, a further £500,000 to research ways to support carers of terminally ill patients.

The charity continued its support for the Marie Curie Palliative Care Research Unit, a research group based at University College London, through the provision of a core research grant and a programme grant which is examining interventions which improve end-of-life care in advanced dementia.

The charity also provides research funding to the Marie Curie Palliative Care Research Centre at the Wales Cancer Trials Unit at Cardiff University and the Marie Curie Palliative Care Institute at the University of Liverpool.

Development

During the year Marie Curie worked with the NHS in developing end-of-life services in a number of areas across the UK to improve care for patients and families.

The charity's volunteer support service (called Marie Curie Helper) now operates in five locations – Nottingham, Somerset, Liverpool, Hackney (London) and Northern Ireland, and three further sites are planned for 2013/14.

The Caring Together project in partnership with the British Heart Foundation has jointly developed services for end-of-life care patients with heart failure in Glasgow.

Overall results

Results for the year ended 31 March 2013 are given in the Statement of Financial Activities on page 25. The assets and liabilities as at 31 March 2013 are given in the Balance Sheets on page 26.

The charity's incoming resources (excluding profit on disposal of fixed assets) increased by £10.1 million (7.4%) to £146.8 million (2012 – £136.7 million). Income from the NHS for the hospices increased by only 0.6% but income for the Marie Curie Nursing Service increased by £1.4 million (6.8%). The charity also received £4.0 million from the Department of Health towards the cost of the construction of the West Midlands hospice. There were also increases in fundraising income of 10.0% and shops and trading income of 3.2%.

Expenditure increased by 7.7% from the prior year. Net expenditure before gains and losses for the year on unrestricted funds was £3.4 million (2012 – deficit £1.4 million).

Charitable activities

Income from the NHS towards the cost of the nursing service increased by 6.8% as more care was commissioned from the Marie Curie Nursing Service compared to the previous year. There were a number of significant increases in services, notably in Devon, Dorset, Durham and Grampian.

Expenditure on the nursing service increased as the charity responded to increased requests for its services.

Expenditure on hospices also increased as the charity continued to develop its non in-patient services and also faced a range of cost pressures.

Expenditure on research and development, at £2.8 million, was £3.0 million lower than the previous year that included a new three-year funding commitment of £3.0 million for an extension of the national grant programme. Expenditure in 2012/13 principally comprised new awards under the Dimbleby Cancer Care collaboration, a joint project with the Royal College of GPs, and expenditure on Marie Curie's own research facilitators who are based in the charity's hospices.

The charity previously supported seven scientific teams researching the causes of cancer. These teams formerly operated from the Marie Curie Research Institute in Oxted (closed in 2010) and later transferred into UK universities. 2012/13 was the final year of the transition grant funding.

Voluntary income

Overall voluntary income increased by £7.5 million to £83.6 million, an increase of 9.8%. Legacy income was £22.7 million (2011/12 – £22.6 million), and income from a capital appeal for the new hospice in the West Midlands raised £1.8 million (2011/12 – £1.8 million). Other donations increased by £7.4 million (14.2%).

Fundraising costs increased by 18.3% as the charity increased its investment in recruitment of committed givers to provide a source of regular income to support its activities.

Other income and expenditure

The charity's chain of shops saw sales of donated goods 1.4% lower than the prior year on a like-for-like basis. Trading was ahead of the prior year until the final quarter when adverse weather resulted in lower performance. Income of £16.5 million was the highest ever, with new shop openings

and additional income from Gift Aid helping increase the total. Net profit from retail activities increased by 1% to £3.4 million.

Governance costs, which relate to the governance arrangements of the charity rather than the costs associated with the management of the charitable and fundraising activities, were £719,000 (2012 – £677,000) and represented 0.5% (2012 – 0.5%) of total resources expended.

Gains and losses

Marie Curie's investment portfolio rose in value by £6.1 million having decreased by £1.2 million in the prior year. The return on the charity's investment portfolio was 13.7% which compares favourably with the benchmark set by the Investment Committee of 10.5%.

The deficit on the Marie Curie Cancer Care Defined Benefit Pension Scheme reduced by £1.0 million to £2.1 million. This was a result of special contributions to reduce the deficit of £0.8 million and an actuarial gain of £0.3 million.

Net movement in funds

As a result of the rise in the market value of the investments more than offsetting the deficit, the charity's unrestricted funds at 31 March 2013 rose by £3.0 million to £98.0 million of which the General Fund represented £50.5 million.

Deficit

With hospices in nine of the major cities in the UK and a nursing service that covers virtually all the population of the UK, Marie Curie's activities are a key part of the health infrastructure of the UK and need to be maintained throughout this time of financial uncertainty. For 2013/14, the NHS has increased its commissioning of the Marie Curie Nursing Service. The Council has continued to invest in support of the charitable activities and has accepted net expenditure in each of the last two years, as

the voluntary funding environment remains difficult and makes it hard to increase income to support the growth in services in the short term. The charity has a plan to increase its fundraising and shops income which is progressing well and is expected to eliminate the deficit after 2015.

Reserves

Full details of the charity's reserves are given in note 15 to the financial statements.

Marie Curie is reliant on a number of income streams, including statutory funding; donations; legacies; shops; and investment income. It is also subject to fluctuations in the cost of its activities. The charity needs to maintain a level of reserves so that it can continue its operations in the event that an unforeseen shortfall in voluntary income or increase in costs creates an imbalance of funding. The Council calculates the amount that is required to be held based on the assessment of the risks affecting the income and expenditure of the charity.

In assessing the amount of reserves required to be held, the risk of a shortfall in income or an increase in cost is estimated and a sum held to cover the potential shortfall for each element of the charity's income and expenditure. The risk weightings range from 5% to 25% depending on the nature of the activities.

Based on these calculations, the Council estimates that a total of £47.7 million of free reserves is required. This represents approximately four months of the charity's operating expenditure for 2013/14. At £50.5 million the level of the General Fund at 31 March 2013 is above the target level, although the value is affected by fluctuations in investment valuations which are currently very volatile. The reserves policy allows the reserves a level of fluctuation to take account of market movements.

Marie Curie is budgeting to make a deficit of over £6 million in 2013/14 as the demand for its community services is growing at a faster rate than its income. This deficit will need to be funded by the reserves and may

continue beyond next year as the economic environment makes securing increases in fundraising difficult to achieve.

In addition, the Council has set up two further designated funds to underpin the charity's medium term investment programme which will require funding over and above the amounts required to fund core services:

- The Capital Investment Fund is for the modernisation of Marie Curie Hospices and other capital projects. The fund balance of £13.4 million is expected to be used to refurbish, maintain and replace the charity's hospice network. At May 2011 the estimated rebuilding cost of the hospices was £122 million. During the year, the former Glasgow and Solihull hospice sites were sold generating a profit on disposal of £2.1 million. The proceeds were added to the Capital Investment Fund and will be used for major refurbishment works for the hospices.
- The Palliative Care Development Fund will be used to support the commitments of the Delivering Choice Programme and other developments in palliative care. The existence of the fund has prevented the need to make significant reductions as a result of the impact of the recession, although the fund is expected to be substantially depleted over the next two years.

The charity has announced that it will support the national work being undertaken by the NHS to develop a funding mechanism for palliative care and improve services for patients with funding of £2.5 million over the period to 2015. The funding has been made available from the Palliative Care Development Fund, which has been reduced by this amount.

Investments

Marie Curie invests the funds held in its General, Designated and Restricted Funds in order to obtain a return. The investments are managed according to the powers defined in the charity's constitution by independent investment managers appointed by the Council. Investment managers have been instructed not to directly invest in any organisation predominantly involved in the

Asset allocation at 31 March 2013

	Actual £'million	Actual %	Target %
UK equities	12.0	20.7	17.5%–27.5%
International equities	22.5	38.7	23%–40%
Fixed income	3.1	5.3	4%–10%
Global bonds	7.2	12.4	7.5%–17.5%
Property	3.4	5.9	5%–8%
Hedge funds	9.0	15.5	13.5%–18.5%
Cash	0.9	1.5	0%–10%
Total investment portfolio	58.1	100.0	
Cash investments	(0.9)		
Total listed investments	57.2		

production of tobacco products.

The amounts held in the Capital Investment Fund and the Palliative Care Development Fund are held for identified future expenditure and are invested in high-yielding cash investments. The restricted funds of the charity are also invested in cash investments.

The Council assess the working capital requirements of the charity and with the advice of the investment advisers and the Investment Committee determines the asset allocation for the General Fund. At 31 March 2013 the asset allocation was as shown in the table above.

The majority of the charity's investment fund is managed on a discretionary basis by Newton Investment Management Limited. These investments comprise investments in UK and international equities and fixed interest securities.

Marie Curie's property investments were invested in the Charities Property Fund. The hedge fund investments were held in two funds of funds which hold investments in a range of individual hedge funds, the Nyes Ledge Capital Horizon Fund and the Forester Diversified Fund of Funds.

The performance of the charity's fund is targeted to achieve a return over the

medium term in excess of a blended benchmark calculated from published indices appropriate for each asset class. The return from the total portfolio over the year ended 31 March 2013 was 13.7%, which was above the blended benchmark of 10.5%.

Fixed assets

The majority of Marie Curie's fixed assets comprise the land, buildings and furniture and equipment at the nine hospices. Other assets include specially adapted minibuses for transporting patients; the interior fittings and equipment at the charity's shops; IT systems; and office equipment.

Capital expenditure for the year was £14.4 million (2011/12 – £8.2 million). This included £7.3 million towards the cost of a new hospice for the West Midlands which was completed in January 2013. The project is funded partly from a Department of Health grant and the balance from the Big Build Capital Appeal.

The sites of the former hospices at Glasgow and Solihull were sold in the year resulting in a profit on disposal of £2.1 million.

A summary of changes to fixed assets during the period is set out in Note 7 to the accounts.

Grant making policies

Marie Curie provides research grants to develop understanding of palliative care. Applications are subject to peer review by experts in the field. Grant recipients are required to submit annual progress reports.

Employees and volunteers

Information about aims and activities is disseminated to all staff and many volunteers at all locations through briefings, meetings, newsletters and the use of the charity's intranet.

Marie Curie fully accepts its social and statutory duty of enabling disabled persons to play their part in the community in every possible way and will employ them wherever practical. Should any staff become disabled, every effort is made to continue their employment and where necessary to provide special training. Career development and promotional opportunities are the same for all staff. There are pension schemes available to employees, details of which are set out in Note 18 to the accounts.

Every year volunteers support the charity in a wide range of roles in our hospices, shops, offices and research units, and play a crucial part in our diverse fundraising events and initiatives, particularly the Great Daffodil Appeal in March.

Trustees

Marie Curie Cancer Care is constituted as a company limited by guarantee and is governed by a Memorandum and Articles of Association.

The Board of Trustees is collectively referred to as the Council. Membership of the Council since April 2013, showing membership of all standing committees, and names of principal advisers to the charity are set out on page 43.

The Audit Committee meets at least three times a year to advise the charity in relation to internal financial control systems, the

annual financial statements, external and internal audit matters and risk management.

The Investment Committee meets four times a year to consider the investment strategy and monitor the returns achieved by the Marie Curie's investments and the performance of the charity's investment managers.

The Clinical Governance Trustees Committee reviews and discusses matters of strategic importance relating to care and research.

The Property Committee looks after the charity's freehold properties (mainly the nine hospices).

The Palliative Care Research Committee advises on research strategy and governance.

Day to day operational decisions are delegated through the Chief Executive to members of the charity's Executive Board and other members of senior management.

Ad hoc select committees may be set up to consider any other matters nominated by the Council.

Election and appointment

The Council appoints all new trustees, based on selection criteria which ensure that collectively it maintains a broad range of relevant skills and experience. The Council also appoints the members of the Audit, Investment, Clinical Governance and Palliative Care Research Trustees Committees. The recruitment of new trustees is through a process of advertisement, application and interviews.

Induction and training

An induction programme is offered to all new trustees and are provided with updates on an ongoing basis. Where such needs are identified training is provided.

Statement of responsibilities of the trustees

Marie Curie is a registered charity (number 207994 for England & Wales and SC038731 for Scotland) and a company limited by guarantee (registered number 00507597). The charity together with its subsidiary undertakings referred to below form a group.

The Council as trustees are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the parent charity of the group and of the surplus or deficit for that period.

In preparing each of the group and charitable company financial statements, the Council are required to:

- select suitable accounting policies and then apply them consistently
- 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 group and the charitable company will continue its activities

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company

and enable it to ensure that its financial statements comply with the Companies Act 2006. The Council has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each member of the Council at the date when this report was approved has confirmed that:

- so far as they are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the charity's auditors are unaware
- they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the charity's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S416 of the Companies Act 2006.

Governance, risk management and internal controls

The Council has reviewed governance processes during the year and concluded that they meet the needs of the organisation.

The Council has overall responsibility for the system of internal control for Marie Curie and its subsidiaries which includes ensuring that there are reasonable procedures in place for the prevention and detection of fraud and other irregularities. However, such a

system can provide only reasonable, but not absolute, assurance against errors and fraud.

The charity operates a comprehensive annual planning and budgeting process, which is approved by the Council. Performance is monitored through the use of activity and financial targets. Reports are made to the Council on a monthly basis which compares actual results against activity targets and the phased budget and links financial performance with resource and activity levels.

Internal controls are subject to scrutiny by the charity's Internal Audit Department, which carries out a programme of cyclical reviews throughout the charity.

The charity has risk management policies and procedures through which risks arising from the existing operations and strategic developments are identified and evaluated. Senior managers are required to identify and analyse risks relevant to their scope of activities; assess them according to the impact on the charity and their likelihood of occurrence; and report on the procedures which are in place, or are being developed or enhanced, to provide assurance that the risk is being managed.

Significant risks are highlighted for consideration and monitoring by the Executive Board which is chaired by the Chief Executive. The major risks comprise:

- patient safety and clinical governance arising from the care provided by our nursing and hospice services
- health and safety risks arising from the activities of staff and volunteers
- the impact of changes in the NHS on the commissioning of our services
- the impact of the economic climate on fundraising income

Summary reports are made to the Audit Committee and to the Council. All major risks to which Marie Curie is exposed, which have been identified by these procedures, have been reviewed. Systems implemented to mitigate these risks are continually being developed or enhanced.

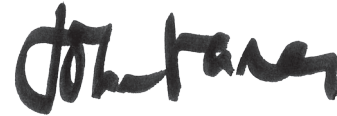
Subsidiary undertakings

The charity's principal subsidiary undertakings as at 31 March 2013 were all wholly owned and registered in England and Wales. Details are included in Note 19 to the accounts. Some of the funds required to support the operations of the charity are raised by means of trading activities through a wholly owned subsidiary, Marie Curie Trading Limited.

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that KPMG LLP be re-appointed as auditors of the charity will be put to the Annual General Meeting.

On behalf of the Council



John Varley
Chairman
9 July 2013

Independent auditor's report to the trustees and members of Marie Curie Cancer Care

We have audited the financial statements of Marie Curie Cancer Care for the year ended 31 March 2013 set out on pages 25 to 42. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's trustees 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 charity, its members as a body and its trustees as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 22–23, 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 in accordance with regulations made under those Acts. Our responsibility is to audit,

and express an opinion on, the financial statements in accordance with relevant legal and regulatory requirements 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

- In our opinion the financial statements:
- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2013 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 UK Generally Accepted Accounting Practice; 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 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information 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) require us to report to you if in our opinion:

- the charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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



**Marianne Fallon (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor**
Chartered Accountants

15 Canada Square
London
E14 5GL

30 July 2013

Consolidated statement of financial activities

(Incorporating the Consolidated Income and Expenditure Account) for the year ended 31 March 2013

	Note	Unrestricted funds £000	Restricted funds £000	Total funds 2013 £000	Total funds 2012 £000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	65,335	18,304	83,639	76,186
Activities for generating funds: Retail sales of donated and purchased goods		10,667	5,854	16,521	16,017
Investment income	3	1,995	–	1,995	1,988
		77,997	24,158	102,155	94,191
Incoming resources from charitable activities	4	39,852	4,533	44,385	42,228
Other income					
Net gain on disposal of fixed assets	7	2,125	–	2,125	1,704
Other income		287	–	287	282
Total incoming resources		120,261	28,691	148,952	138,405
Cost of generating funds					
Cost of generating voluntary income		33,622	1,348	34,970	29,558
Publicity		3,671	–	3,671	4,086
Fundraising trading: cost of goods sold		9,610	3,556	13,166	12,695
Investment management costs		597	–	597	238
		47,500	4,904	52,404	46,577
Net incoming resources available for charitable application		72,761	23,787	96,548	91,828
Cost of charitable activities					
Hospices		32,110	12,287	44,397	42,251
Nursing		39,826	4,491	44,317	40,200
Research & development	5d	1,576	1,220	2,796	5,814
Policy		1,911	–	1,911	598
Total charitable expenditure		75,423	17,998	93,421	88,863
Governance costs		719	–	719	677
Total resources expended	5	123,642	22,902	146,544	136,117
Net (expenditure)/ income for the year		(3,381)	5,789	2,408	2,288
Other recognised gains & losses					
Gains/ (losses) on investment assets	8	6,064	–	6,064	(1,228)
Actuarial losses on defined benefit scheme	18	340	–	340	(374)
Net movement in funds		3,023	5,789	8,812	686
Reconciliation of funds					
Total funds at 1 April 2012		95,025	19,210	114,235	113,549
Total funds at 31 March 2013		98,048	24,999	123,047	114,235

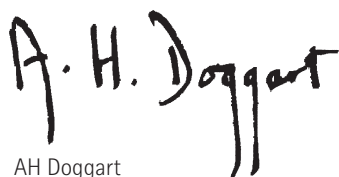
All of the charity's operations are continuing. There were no gains or losses other than those stated above.
The notes on pages 28 to 42 form part of these financial statements.

Balance sheets

for the year ended 31 March 2013

	Note	Group 2013 £000	2012 £000	Charity 2013 £000	2012 £000
Fixed assets					
Tangible assets	7	55,132	45,289	55,132	45,289
Investments	8	77,110	75,532	77,837	76,259
		132,242	120,821	132,969	121,548
Current assets					
Stocks	9	246	246	162	192
Debtors	10	7,222	5,916	8,662	6,896
Investments	11	7,374	15,726	7,374	15,726
Cash at bank and in hand		3,479	3,703	3,255	3,257
		18,321	25,591	19,453	26,071
Creditors:					
Amounts falling due within one year	12a	(18,230)	(20,177)	(20,041)	(21,326)
Net current assets		91	5,414	(588)	4,745
Total assets less current liabilities		132,333	126,235	132,381	126,333
Creditors: Amounts falling due after more than one year					
Provisions for liabilities and charges	14	(584)	(690)	(584)	(690)
Net assets (excluding pension liability)		125,162	117,360	125,210	117,418
Defined benefit pension liability	18	(2,115)	(3,125)	(2,115)	(3,125)
Net assets (including pension liability)	15	123,047	114,235	123,095	114,293
Funds					
Restricted funds	15	24,999	19,210	24,999	19,210
Designated funds	15	49,687	51,032	49,687	51,032
		74,686	70,242	74,686	70,242
Free reserves					
Pension reserve	15	(2,115)	(3,125)	(2,115)	(3,125)
General funds	15	50,476	47,118	50,524	47,176
		123,047	114,235	123,095	114,293

Approved by Council on 9 July 2013.



AH Doggart
Honorary Treasurer

The notes on pages 28 to 42 form part of these financial statements.
Company number: 00507597

Consolidated cash flow statement

for the year ended 31 March 2013

	Note	2013 £000	2012 £000
Net cash (outflow)/inflow from operating activities	B	(3,169)	2,975
Returns on investments and servicing of finance			
Dividends received		935	739
Interest received		680	525
Capital expenditure and financial investment			
Capital expenditure		(14,367)	(7,972)
Sale of tangible fixed assets		2,858	3,811
Investment purchases		(15,345)	(8,341)
Decrease/(increase) in invested cash		5,535	(2,343)
Investment sale proceeds		14,297	9,066
Net cash (outflow) before management of liquid resources		(8,576)	(1,540)
Management of liquid resources			
Decrease in cash invested in short term investments		8,352	1,958
(Decrease)/increase in cash		(224)	418

Note A

Reconciliation of net cash flow to movement in net funds

(Decrease)/increase in cash in the year	(224)	418
(Decrease) in liquid resources	(8,352)	(1,958)
Net funds at 1 April 2012	19,429	20,969
Net funds at 31 March 2013	10,853	19,429

Analysis of net funds

	1 Apr 2012 £000	Cash flow £000	31 Mar 2013 £000
Cash at bank and in hand	3,703	(224)	3,479
Money market and other deposits	15,726	(8,352)	7,374
	19,429	(8,576)	10,853

Note B

Reconciliation of changes in resources to net inflow from operating activities

	2013 £000	2012 £000
Net incoming resources	2,408	2,288
Depreciation charges	3,790	3,425
Gain on disposal of fixed assets	(2,125)	(1,704)
Pension funding adjustment	(670)	(875)
Dividends received	(935)	(739)
Interest received	(680)	(525)
Decrease in stocks	-	130
(Increase)/decrease in debtors	(1,306)	490
(Decrease)/increase in creditors and provisions	(3,651)	485
Net cash (outflow)/inflow from operating activities	(3,169)	2,975

Notes to the financial statements

for the year ended 31 March 2013

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies are consistent with the prior year.

a) Basis of accounting

The accounts have been prepared under the historical cost convention with the exception of investments stated at market value. They comply and have been prepared in accordance with applicable UK accounting standards and with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005) and the Companies Act 2006.

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

b) Group accounts

The charity owns 100% of the share capital of two companies – Marie Curie Trading Limited and Marie Curie Developments Limited. The consolidated statements include the financial statements of these companies which have been consolidated on a line by line basis. No Statement of Financial Activities (SOFA) or Income and Expenditure Account of the charity has been presented as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

c) Investments

Investments listed on a recognised stock exchange are included in the balance sheet at market value. Unrealised gains and losses arising during the year are included in the Statement of Financial Activities. Investment income is the amount received by the charity in the year.

d) Stocks

Stocks of bought in goods are stated at the lower of cost and net realisable value. Donated goods held for resale in the charity's shops are not valued for the purpose of these accounts.

e) Depreciation

Tangible fixed assets costing more than £1,000 are capitalised and included at cost. Freehold land is not depreciated. Depreciation is not provided on assets in the course of construction or on investment properties. Depreciation is provided on all other tangible fixed assets using a straight line basis as follows:

Freehold buildings	25 – 28 years
Long leasehold buildings	25 – 28 years
Short leasehold buildings	Over the period of the lease or 10 years whichever is shorter
Leasehold shop improvements	Over the period of the lease or 10 years whichever is shorter
Furniture, equipment	20 – 33%
Motor vehicles	25 – 33%

f) Incoming resources

All income is included in the SOFA when the charity is entitled to the income and when it can be quantified with reasonable certainty.

Legacy income	Entitlement to legacy income is taken to be the earlier of estate accounts being finalised or a notification by the executor of a payment to be made or cash received.
Events	Income from major events is recognised in the period in which the event takes place. Income received in advance is included in deferred income.
Investment income	Investment income is accounted for on an accruals basis.
Gifts in kind	Gifts in kind are valued at their realised amount, or the amount equivalent to an alternative commercial supply, and are included in the SOFA as appropriate. No amounts are included for services donated by volunteers.

Notes to the financial statements

for the year ended 31 March 2013

g) Resources expended

All expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts. Specific accounting policies are as follows:

Grants payable	The total sum awarded during the year is expensed in the Statement of Financial Activities, where a constructive obligation exists notwithstanding that a proportion will be disbursed in subsequent accounting periods.
Fundraising costs	Fundraising and publicity expenditure have been shown separately. Fundraising expenditure represents the total costs of fundraising, excluding only direct costs of specific events organised by third parties, which are netted off against the income from those events.
Research expenditure	Research expenditure is written off as incurred.
Support costs	The costs of functions which support more than one of the charity's activities have been allocated to those activities based on time spent. Costs classified as governance relate to the general running of the charity and include the operations of the Council and addressing constitutional, audit and other statutory matters. (See Note 5).
Governance costs	Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity rather than those costs associated with fundraising or charitable activity. These costs include external and internal audit; legal advice for trustees and costs associated with constitutional and statutory requirements; and the preparation of the annual report.

h) Pensions

For defined benefit pension schemes the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest losses are recognised in the 'Other recognised gains and losses'.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the charity, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained every three years and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the Consolidated Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

i) Leased assets

Rentals payable under operating lease contracts are charged on a straight line basis over the lease life to the Statement of Financial Activities.

j) Funds

Restricted funds comprise funds subject to specific restrictions imposed by donors and funders. The purposes and uses of the restricted reserves are set out in Note 15 to the accounts. Income received from capital appeals is included under restricted voluntary income and the related costs, including depreciation, are charged against that income.

Designated funds comprise funds which have been set aside at the discretion of the Council for specific purposes. The purposes and uses of the designated funds are set out in Note 15 to the accounts. Funds contained within the designated fund comprise:

- (1) Tangible Fixed Asset Fund – which represents the value of general funds invested in fixed assets.
- (2) Capital Investment Fund which represents funds held to contribute towards the renewal of the charity's hospices.
- (3) Palliative Care Development Fund. These funds support future innovative projects which either research or develop palliative care, or ensure more patients are offered the choice of being cared for at home. The fund is used to support the Delivering Choice Programme and other projects.
- (4) Palliative Care Funding Review. This represents the amount set aside by the trustees to support the development of a new funding mechanism and model of service provision to improve end-of-life care services for patients and families

The **General Fund** is an unrestricted fund which is available to meet possible shortfalls in revenue and unforeseen increases in expenditure.

Notes to the financial statements

for the year ended 31 March 2013

2. Voluntary income

	Unrestricted funds £000	Restricted funds £000	Total funds 2013 £000	Total funds 2012 £000
Major capital appeals	–	1,842	1,842	1,840
Donations, events and other voluntary income	48,896	10,237	59,133	51,772
Legacies	16,439	6,225	22,664	22,574
	65,335	18,304	83,639	76,186

3. Investment income

	Unrestricted funds £000	Restricted funds £000	Total funds 2013 £000	Total funds 2012 £000
Listed investments	935	–	935	979
Cash investments	680	–	680	632
Hedge funds	15	–	15	15
Property fund	188	–	188	346
Other investments	177	–	177	16
	1,995	–	1,995	1,988

4. Incoming resources from charitable activities

	Unrestricted funds £000	Restricted funds £000	Total funds 2013 £000	Total funds 2012 £000
NHS funding for nurses	21,150	–	21,150	19,799
NHS funding for hospices	18,356	–	18,356	18,251
Other NHS funding	346	–	346	673
Department of Health grants				
– Capital grant West Midlands hospice	–	4,043	4,043	2,870
– Third Sector Investment Fund	–	60	60	117
Scottish Executive	–	191	191	89
Big Lottery Fund	–	159	159	139
Other income	–	80	80	290
	39,852	4,533	44,385	42,228

The Department of Health funding is a capital grant towards the cost of the new hospice in West Midlands. The Third Sector Investment Fund grant comprises £60,000 towards the charity's patient self-referral project. The Scottish Executive funding comprises 16b funding of £60,000 for nursing services in Scotland and £111,000 of Section 10 funding for rural nursing services. The funding from the Big Lottery includes £79,571 for the Marie Curie Helper project in Nottingham (Reaching Communities), £22,535 for the Marie Curie Helper project in Northern Ireland (Reaching Out Connecting Older People), £32,594 for a community development worker at the Cardiff and the Vale Hospice (People and Places) and £22,391 from the Community Sustainable Energy Programme for equipment at the West Midlands hospice.

Notes to the financial statements

for the year ended 31 March 2013

5. Expenditure	Direct costs £000	Support costs £000	Total 2013 £000	Total 2012 £000
Cost of generating funds				
Fundraising	32,090	2,880	34,970	29,558
Publicity	3,315	356	3,671	4,086
Retail shops	12,297	869	13,166	12,695
Investment management costs (Note C)	569	28	597	238
	48,271	4,133	52,404	46,577
Charitable activities				
Hospices	41,638	2,759	44,397	42,251
Nursing	41,115	3,202	44,317	40,200
Research and development (Note D)	2,388	408	2,796	5,814
Policy	1,797	114	1,911	598
	86,938	6,483	93,421	88,863
Governance costs (Note B)				
	341	378	719	677
Total	135,550	10,994	146,544	136,117

Allocation of support costs	Executive, legal & strategy £000	Finance £000	HR & training £000	IT £000	Facilities & property £000	Total 2013 £000	Total 2012 £000
Hospices	397	281	862	885	334	2,759	2,489
Nursing	397	281	866	1,548	110	3,202	2,629
Research and development (Note D)	57	70	79	177	25	408	400
Policy	28	14	28	44	–	114	101
Total charitable activities	879	646	1,835	2,654	469	6,483	5,619
Fundraising	141	422	685	1,415	217	2,880	3,005
Publicity	17	28	66	221	24	356	325
Retail shops	6	140	144	133	446	869	805
Investment management	–	28	–	–	–	28	30
Governance	178	141	59	–	–	378	352
Total support costs allocated	1,221	1,405	2,789	4,423	1,156	10,994	10,136

Support costs have been allocated across activities based on time spent by the central departments in supporting the various activities of the charity.

Note A

Net incoming resources for the year is stated after charging:

	2013 £000	2012 £000
Fees payable to the charity's auditor for:		
– the audit of the financial statements	66	67
– other audit services	12	5
	78	72

Notes to the financial statements

for the year ended 31 March 2013

5. Expenditure (continued)

	2013 £000	2012 £000
Amounts paid under operating leases		
– land and buildings	4,529	4,460
– plant and machinery	750	792
	<u>5,279</u>	<u>5,252</u>
 Depreciation of owned assets	 <u>3,790</u>	 <u>3,425</u>

Note B

	2013 £000	2012 £000
Governance costs		
Apportionment of support staff (based on time spent)	378	352
Internal audit	240	221
External audit fees	78	72
Trustees' travel & meeting expenses	6	7
Trustees indemnity insurance	4	6
Legal costs	13	19
	<u>719</u>	<u>677</u>

Note C

The investment managers' fees include a standard charge linked to the value of funds managed and also a performance related fee based on their performance against the target return.

Note D

	2013 £000	2012 £000
Research & development		
Palliative care research costs	1,001	3,404
Delivering choice programme and other development costs	1,891	2,103
Scientific research costs	(96)	307
	<u>2,796</u>	<u>5,814</u>

Palliative Care research costs includes the cost of research grants to the Marie Curie Palliative Care Research Institute (MCPCI) at the University of Liverpool, the Marie Curie Palliative Care Research Unit (MCPCRU), at UCL and the Marie Curie Palliative Care Research Centre (MCPCRC) at Cardiff University. Also included are grants awarded under the charity's own National Grant Programme and collaborations with Dimpleby Cancer Care. The expenditure shown for 2012/13 principally comprises new awards under the Dimpleby Cancer Care Collaborative, a joint project with the Royal College of GPs and expenditure on the charity's own research facilitators who are based in the charity's hospices.

Scientific research was previously undertaken by the Marie Curie Research Institute (MCRI) which was directly run by the charity. In March 2009 the Council took the decision to reduce its scientific research and to increase the amount spent on palliative care research. MCRI scientists, following a review undertaken by the scientific committee, were awarded transition funding to enable them to establish their work at universities in the UK. The expenditure in 2012/13 comprises adjustments to transition grants previously awarded – no further funding has been awarded.

6. Taxation

The charity is registered for VAT but only part of the VAT incurred is able to be recovered. The amount of VAT paid but not recoverable in the year was £4,846,000 (2012: £3,358,000).

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2011 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3, Part 11 Corporation Tax Act 2011 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Its subsidiaries have not incurred a tax charge as they gift all profits to charity.

Notes to the financial statements

for the year ended 31 March 2013

7. Group and charity tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Leasehold land and buildings	Furniture, equipment and motor vehicles	Total
	£000	Long £000	Short £000	£000	£000
Cost					
1 April 2012	60,925	3,527	6,232	15,104	85,788
Additions at cost	11,746	-	390	2,232	14,368
Disposals	(3,530)	-	(48)	(1,271)	(4,849)
At 31 March 2013	69,141	3,527	6,574	16,065	95,307
Depreciation					
1 April 2012	21,386	1,336	5,569	12,208	40,499
Provided in the year	2,018	147	288	1,337	3,790
Disposals	(2,825)	-	(48)	(1,241)	(4,114)
At 31 March 2013	20,579	1,483	5,809	12,304	40,175
Net book value					
At 31 March 2013	48,562	2,044	765	3,761	55,132
At 31 March 2012	39,539	2,191	663	2,896	45,289

The freehold and leasehold properties consist of nine Marie Curie Hospices, administrative offices and shops. The cost of freehold land included above is £1,588,242 (2012: £1,588,242).

During the year the former sites of the Glasgow and Solihull hospices were sold for a combined total of £2.8 million generating a gain of £2.1 million compared with historic cost of £4.8 million.

Freehold land and buildings for the group and the charity include assets in the course of construction at a cost of £nil (2012: £7,729,670). The cost of additions for the group and the charity to assets in the course of construction during the year amounted to £6,920,184 (2012: £5,177,149).

Capital commitments

	2013 £000	2012 £000
Capital expenditure authorised and contracted for	307	9,660
Capital expenditure authorised but not contracted for	5,149	18,864

Notes to the financial statements

for the year ended 31 March 2013

8. Investments

	Listed investments	Property and unlisted investments	Money market deposits	Consolidated total	Investment in subsidiaries	Charity total
	£000	£000	£000	£000	£000	£000
Group and charity						
Market value at 1 April 2012	50,101	84	25,347	75,532	727	76,259
Movements in deposits	-	-	(5,535)	(5,535)	-	(5,535)
Additions at cost	15,346	-	-	15,346	-	15,346
Disposals at book value	(12,405)	-	-	(12,405)	-	(12,405)
Unrealised gains	4,172	-	-	4,172	-	4,172
Market value at 31 March 2013	57,214	84	19,812	77,110	727	77,837
Historic cost as at 31 March 2013	34,005	84	19,812	53,901	727	54,628
Historic cost as at 31 March 2012	42,657	84	23,004	65,745	727	66,472

Gain/(loss) on investments

	2013	2012
	£000	£000
Realised gains	1,892	1,216
Unrealised gains/(losses) included in market value	4,172	(2,444)
	6,064	(1,228)

Listed investments

	2013	2012
	£000	£000
UK	18,545	17,659
Non UK	38,669	32,442
	57,214	50,101

No investment represented more than 5% of the portfolio of the group or the charity by market value.

Investment properties includes £75,400 in an unlisted property fund, together with the charity's share of a number of bequeathed properties.

9. Stocks

	Group		Charity	
	2013	2012	2013	2012
	£000	£000	£000	£000
Inventory for resale	84	54	-	-
Daffodils	162	192	162	192
	246	246	162	192

10. Debtors

	Group		Charity	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade debtors	1,684	1,323	1,684	1,323
Taxation recoverable	1,287	927	1,273	812
Prepayments	2,530	2,499	2,540	2,509
Legacy debtors	272	330	272	330
Amounts due from subsidiary undertakings	-	-	1,462	1,089
Other debtors	1,449	837	1,431	833
	7,222	5,916	8,662	6,896

The charity has been notified of legacies with an estimated value of £16.1 million (2012 £16.3 million) which have not been recognised as income at 31 March 2013 because no notification of impending distribution or approval of estate accounts has been received.

Notes to the financial statements

for the year ended 31 March 2013

11. Current asset investments

	Group		Charity	
	2013	2012	2013	2012
	£000	£000	£000	£000
Bank deposits and liquidity funds	7,374	15,726	7,374	15,726

12. Creditors

	Group		Charity	
	2013	2012	2013	2012
	£000	£000	£000	£000
(a) Amounts falling due within one year				
Interest free loans	130	130	130	130
Trade creditors	4,839	4,691	4,832	4,032
NHS contract obligations	2,933	3,414	2,933	3,414
Palliative care research grants	2,687	2,953	2,687	2,953
Grants awarded for scientific research	493	1,230	493	1,230
Tax and social security creditors	1,825	1,698	1,825	1,698
Accruals	2,562	3,839	2,562	3,839
Deferred income (note 13)	2,212	1,993	2,212	1,993
Other creditors	549	229	551	229
Amounts due to subsidiary undertakings	-	-	1,816	1,808
	18,230	20,177	20,041	21,326

NHS contract obligations comprises amounts paid on account by the NHS for services from the Marie Curie Nursing Service which have been carried forward.

	Group		Charity	
	2013	2012	2013	2012
	£000	£000	£000	£000
(b) Amounts falling due after more than one year				
Loan from British Heart Foundation for Glasgow hospice	1,850	1,850	1,850	1,850
Grants payable – Palliative care	4,553	6,397	4,553	6,397
Investment manager's performance fee	184	(62)	184	(62)
	6,587	8,185	6,587	8,185

The investment manager's fees are partly performance related. The amount payable is based on the four year average compared to the benchmark. The amount due in 2011/12 represents the amount estimated to be rebated to the charity in future years based on performance to date which was below the benchmark in the current year.

13. Deferred income

	Group		Charity	
	2013	2012	2013	2012
	£000	£000	£000	£000
Caring services	911	627	911	627
Fundraising events	973	1,108	973	1,108
Other	328	258	328	258
	2,212	1,993	2,212	1,993

Fundraising events deferred income includes amounts received in advance in respect of events which had not taken place by the balance sheet date.

Notes to the financial statements

for the year ended 31 March 2013

14. Provisions for liabilities and charges

Group and charity	At 1 April 2012	Additional provisions made	Amounts used	Amounts released	At 31 March 2013
	£000	£000	£000	£000	£000
Dilapidations	211	–	(34)	(75)	102
Redundancy provisions	218	1	–	(10)	209
Staff costs and other liabilities	261	116	(74)	(30)	273
	690	117	(108)	(115)	584

15. Funds

Group and charity	Note	At 1 April 2012	Income	Expenditure	Transfers, gains and losses	At 31 March 2013
		£000	£000	£000	£000	£000
Restricted funds (Group and charity)						
Hospices Capital Fund	i	17,801	–	(1,032)	7,539	24,308
Major capital appeals	ii	571	5,909	–	(6,459)	21
Hospices – revenue	iii	271	17,100	(16,062)	(1,080)	229
Nursing	iii	198	4,565	(4,589)	–	174
Palliative care research		369	1,117	(1,219)	–	267
Total restricted funds		19,210	28,691	(22,902)	–	24,999
Designated funds (Group and charity)						
Tangible fixed asset fund	iv	27,487	–	–	3,337	30,824
Capital Investment Fund	v	17,305	717	(463)	(4,144)	13,415
Palliative Care Development Fund	vi	3,740	–	(792)	–	2,948
Palliative Care Funding Review	vii	2,500	–	–	–	2,500
Total designated funds		51,032	717	(1,255)	(807)	49,687
General funds (Group)						
General Fund	viii	47,118	119,544	(122,328)	6,142	50,476
Pension scheme deficit	ix	(3,125)	–	(59)	1,069	(2,115)
Total general funds		43,993	119,544	(122,387)	7,211	48,361
Consolidated funds		114,235	148,952	(146,544)	6,404	123,047
General funds (Charity)		44,051	116,706	(119,559)	7,211	48,409

The above funds carried forward at 31 March 2013 represent:

- grants and donations received from hospice capital appeals which have been invested in hospice capital projects. The expenditure in the year represents the amount by which the capital expenditure has been depreciated.
- the net proceeds from capital appeals. A transfer is made to the Hospice Capital Fund in respect of expenditure on capital projects funded by the capital appeals. The balance at the end of the year represents the capital appeal funds which have been received for which expenditure has not yet been incurred.
- funds restricted for the Marie Curie Hospices and the nursing service.
- the net book amounts already invested in tangible fixed assets, other than those covered by restricted funds (see (i) above).

Notes to the financial statements

for the year ended 31 March 2013

15. Funds (continued)

- (v) the amount that has been put aside to contribute towards major capital projects to be undertaken in the next five to 10 years to replace or upgrade facilities at the charity's hospices. Principal movements are the sale value from the disposal of the former Glasgow hospice site (£0.7 million) which has been added to this fund, offset by expenditure to cover the refurbishment of the Edinburgh and the Cardiff and the Vale (Penarth) hospices which took place in 2012.
- (vi) the amount that has been put aside for future innovative projects which either research or develop palliative care, or ensure more patients are offered the choice of being cared for at home. The fund is used to support the Delivering Choice Programme and other projects.
- (vii) the amount set aside by the trustees to support the development of a new funding mechanism and model of service provision to improve end of life care services for patients and families. The balance was transferred from the Palliative Care Development Fund.
- (viii) the General Fund is the working capital of the charity and represents the net amount that the Council is available to meet possible shortfalls in funding and increases in costs.
- (ix) the actuarial valuation of the defined benefit pension scheme at 31 March 2013 for the purposes of FRS17 showed a funding deficit of £2.1 million.

The consolidated surplus of total income less revenue expenditure is attributable to the surplus for the year dealt with in the separate accounts of:

	2013 £000	2012 £000
The charity	385	1,271
Intra-group profit	2,024	1,017
Intercompany charges for fixed assets written off	(272)	(217)
	2,137	2,071

The parent charity's gross income for the year was £145 million and its expenditure was £144 million.

Analysis of net assets between funds

Group	Unrestricted funds £000	Restricted funds £000	Total 2013 £000	Total 2012 £000
Tangible fixed assets	30,825	24,307	55,132	45,289
Investments	84,484	–	84,484	91,258
Stocks	246	–	246	246
Debtors	7,222	–	7,222	5,916
Creditors and cash	(22,614)	692	(21,922)	(25,349)
Defined benefit pension scheme liability	(2,115)	–	(2,115)	(3,125)
Total net assets	98,048	24,999	123,047	114,235

16. Staff

(i) Remuneration

	2013 £000	2012 £000
Wages and salaries	77,472	72,467
Social security costs	4,485	4,328
Other pension costs	5,807	5,539
Total Marie Curie staff	87,764	82,334
Contracted staff	8,275	7,281
Total remuneration	96,039	89,615

Contract staff includes costs for nurses, consultants, other medical staff and allied health professionals employed by the NHS for whom the charity reimburses the NHS for the time spent working at the charity. These people are not employed by the charity and so are not included in the analysis of staff employed.

Notes to the financial statements

for the year ended 31 March 2013

16. Staff (continued)

	2013 Number	2012 Number
(ii) Average number of employees		
Hospices	965	1,005
Nursing	2,119	2,026
Research and development	47	43
Fundraising	445	426
Publicity	32	31
Shops	519	466
Support	133	125
	4,260	4,122
Comprising		
Full-time	1,332	1,282
Part-time	2,928	2,840
	4,260	4,122

(iii) Remuneration of higher paid staff

	2013 Number	2012 Number
£60,001 – £70,000	4	12
£70,001 – £80,000	5	6
£80,001 – £90,000	3	5
£90,001 – £100,000	6	2
£100,001 – £110,000	3	3
£110,001 – £120,000	1	2
£120,001 – £130,000	1	–
£130,001 – £140,000	1	–
£140,001 – £150,000	–	1
£150,001 – £160,000	–	–
£160,001 – £170,000	1	1
Included in the above are – medical practitioners	4	8

Contributions of £63,587 (2012: £141,779) were made to the NHS Pension Scheme, the Universities Superannuation Scheme and the Marie Curie Final Salary Scheme, all defined benefit schemes, for 14 higher paid employees. Contributions amounting to £166,835 (2012: £179,880) were made to defined contribution schemes, for 16 higher paid employees.

(iv) Council members' expenses

No trustees received any remuneration in the year. Two trustees were reimbursed £434 for travel expenses (2012: two trustees – £623). The charity maintains liability insurance covering members of the Council in their capacity as directors and other officers of the charity.

(v) Related party transactions

There were no transactions with related parties.

Notes to the financial statements

for the year ended 31 March 2013

17. Lease commitments

The charity and group had annual operating lease commitments as follows:

	2013 £000	2012 £000
Land and buildings		
Within one year	505	307
Between two and five years	1,965	2,290
Over five years	1,488	1,191
	3,958	3,788
Other		
Within one year	73	64
Between two and five years	422	412
	495	476

18. Pensions

Schemes available to employees

The current scheme available to the employees is a stakeholder pension scheme which was started in January 2004. The charity has paid contributions totalling £2,549,489 (2012: £2,300,630) into this scheme. Contributions to other defined contribution pension schemes amounted to £9,539 (2012: £22,894).

Some employees participate in defined benefit pension schemes operated by the National Health Service and by universities to which the charity pays the appropriate employer contributions. The pension cost charge for these schemes amounted to £1,876,301 (2012 £1,869,954).

Closed schemes

Between 1 September 1994 and 31 December 2003 the charity operated a defined contribution scheme for the benefit of employees. Contributions were paid into this scheme until 31 December 2003. The assets of this scheme are held separately from those of the charity in an independently administered fund. The pension cost charge for this scheme represents contributions payable by the charity to the fund and amounted to £nil (2012: nil).

Prior to September 1, 1994 the charity operated a defined benefit pension scheme (closed to new members) which is funded in advance by contributions from members at the rate set in the rules and from the charity. The assets are held in a trust separate from the charity.

FRS 17 disclosures

A full actuarial valuation was carried out at 31 March 2011 and resulted in an actuarially assessed deficit of £4.7 million. On the basis of this valuation the trustees of the scheme and the charity agreed the employer contribution rate of 21.9% from 1 April 2011 and past service deficit recovery payments of £720,000 to 1 July 2022.

The valuation has been updated to 31 March 2013 by a qualified independent actuary to take account of the requirements of FRS17 in order to assess the liabilities of the scheme at that date. Scheme assets are stated at their market values at the respective balance sheet dates.

	2013 £000	2012 £000
Present value of funded defined benefit obligation	(21.9)	(20.5)
Fair value of scheme assets	19.8	17.4
Net liability	(2.1)	(3.1)

Notes to the financial statements

for the year ended 31 March 2013

18. Pensions (continued)

The movement in the defined pension scheme deficit was as follows:	2013 £m	2012 £m
Liability at 1 April 2012	(3.1)	(3.4)
Net finance charge	–	(0.1)
Current service cost	(0.1)	(0.1)
Employer's contributions	0.8	0.9
	<hr/>	<hr/>
Actuarial gains/(losses)	(2.4)	(2.7)
	0.3	(0.4)
At 31 March 2013	(2.1)	(3.1)

Movements in present value of defined benefit obligation	2013 £m	2012 £m
At 1 April 2012	20.5	19.3
Current service cost	0.1	0.1
Interest cost	0.9	1.0
Actuarial gains	1.4	1.1
Benefits paid	(1.0)	(1.0)
At 31 March 2013	21.9	20.5

Movements in fair value of scheme assets	2013 £m	2012 £m
At 1 April 2012	17.4	15.9
Expected return on scheme asset	0.9	0.9
Actuarial gains	1.7	0.7
Contributions by employer	0.8	0.9
Contributions by members	–	–
Benefits paid	(1.0)	(1.0)
At 31 March 2013	19.8	17.4

Expense recognised in the Statement of Financial Activities	2013 £m	2012 £m
Interest on defined benefit obligation	(0.9)	(1.0)
Expected return on scheme asset	0.9	0.9
Net finance charge	–	(0.1)
Current service cost	(0.2)	(0.1)
Total	(0.2)	(0.2)

Actuarial gain/(loss) charged to the Statement of Financial Activities	2013	2012
Actual return less expected return on scheme assets	1.7	0.7
Experience (losses)/gains arising on scheme liabilities	(0.2)	1.0
Changes in assumptions underlying the present value of scheme liabilities	(1.2)	(2.1)
Total	0.3	(0.4)

The cumulative actuarial loss recognised in the Statement of Financial Activities is £8,944,000 (2011: £8,570,000). Cumulative actuarial losses reported in the Statement of Financial Activities for the accounting period ending on 31 March 2003, and subsequently included by prior year adjustment under paragraph 96 of FRS 17, are £2,580,000.

Notes to the financial statements

for the year ended 31 March 2013

18. Pensions (continued)

The fair value of the scheme assets was as follows:

	2013		2012	
	£m	%	£m	%
Equities	9.9	50.1	8.4	48.3
Corporate bonds	2.5	12.8	2.3	13.1
Gilts	6.7	33.9	5.9	33.9
Cash	0.7	3.2	0.8	4.7
Total net assets	19.8	100.0	17.4	100.0

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2013	2012
Discount rate	4.3%	4.6%
Expected rate of return on scheme assets	4.7%	5.0%
Inflation	3.5%	3.1%
Future salary increases	4.0%	3.6%
Rate of increases in pensions in payment (LPI)		
maximum 5%	3.3%	3.0%
minimum 4% maximum 5%	4.3%	4.2%
maximum 2.5%	2.2%	2.2%

In valuing the liabilities of the pension fund at 31 March 2013, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities would add £0.6 million to the reported liability figure.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year-old man to live for 20.4 years (23.4 years for a woman) from date of retirement.

History of the scheme

The history of the scheme for the current and prior periods is as follows:

Balance sheet

	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£m
Present value of scheme liabilities	(21.9)	(20.5)	(19.3)	(18.9)	(15.4)
Fair value of scheme assets	19.8	17.4	15.9	15.2	11.2
(Deficit)	(2.1)	(3.1)	(3.4)	(3.7)	(4.2)

Experience adjustments

	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£m
Experience adjustment on scheme liabilities					
– amount (£million)	(0.2)	1.0	–	0.4	–
– percentage of scheme assets (%)	(0.8)	5.0	(0.0)	2.2	–
Experience adjustment on scheme liabilities					
– amount (£million)	1.7	0.7	(0.1)	3.8	(6.3)
– percentage of scheme assets (%)	8.6	4.2	(0.5)	(25.0)	(56.0)

The charity expects to contribute £720,000 to this scheme for the 2013/13 financial year (2011/12 – £720,000).

Notes to the financial statements

for the year ended 31 March 2013

19. Subsidiary undertakings

The charity has the following subsidiary undertakings which were wholly owned and registered in England and Wales.

Marie Curie Trading Limited – The company undertakes trading activities for the benefit of the charity that it cannot carry out itself as an exempt charity, including the sale of new goods such as Christmas cards and certain events. The company made a profit of £1,200,000 for the year ended 31 March 2013 (31 March 2012 – £824,000) which was paid to the charity by means of a payment under Gift Aid.

Marie Curie Developments Limited – The company undertakes construction projects for the charity. The company made a profit of £261,000 for the period ended 31 March 2013 (2012 – £193,000) which was paid to the charity by means of a payment under Gift Aid.

Cancer Care (UK) Limited – The company was dormant throughout the period ended 31 March 2013. The net assets at 31 March 2013 were £20,000.

Marie Curie Ventures Limited – The company was dormant throughout the period ended 31 March 2013.

A summary of the results of the subsidiaries is set out below:

	2013	2012
	£000	£000
Marie Curie Trading Limited		
Turnover	4,062	3,458
Cost of sales	(1,917)	(1,701)
Gross profit	2,145	1,757
Other expenses	(921)	(908)
Interest payable	(24)	(25)
Payment to the charity under Gift Aid	(1,200)	(824)
Retained profit for the year	-	-
Net current assets	689	689
Liabilities – Debenture held by the charity	(700)	(700)
Net liabilities	(11)	(11)
Marie Curie Developments Limited		
Turnover	7,266	5,637
Cost of sales	(6,920)	(5,363)
Gross profit	346	274
Other expenses	(85)	(81)
Payment to the charity under Gift Aid	(261)	(193)
Retained profit for the year	-	-
Net current liabilities	(18)	(18)
Net liabilities	(18)	(18)

Who's who

Patron

His Royal Highness The Prince of Wales

Life Vice Presidents

Sir Peter Davis LLD, FRSA
J H O Earle MD FRCPATH
Sir Nicholas Fenn GCMG MA
Joan Gough-Thomas MA (Oxon)
Sir Thomas Hughes-Hallett

Vice Presidents

Field Marshal the Lord Bramall KG
GCB OBE MC JP
Major General Sir Michael Carleton-Smith
CBE DL
John Carson CBE
John A Cooke MA
Sir Ranulph Fiennes OBE
The Baroness Ilora Finlay
Christine Hamilton-Stewart MBE
Dame Deirdre Hine DBE FRCP
Martyn Lewis CBE
Bill Midgley FCIB MIMgt

Bankers

The Royal Bank of Scotland
280 Bishopsgate
London EC2M 4RB

Solicitors

Charles Russell, London
Willans, Cheltenham
Bready & Co, Glasgow
DLA Piper (pro bono)

Auditors

KPMG LLP
15 Canada Square
London
E14 5GL

Volunteers

The following roles are all unpaid volunteers: Patron, Life Vice Presidents, Vice Presidents, Members of Council, Independent Committee Members and Advisory Board Members.

Members of Council

From 1 April 2012 to 9 July 2013

Chairman

John Varley MA
Honorary treasurer
*ø Anthony H Doggart MA
‡ Dr Sarah Beaver D. Phil, ACCA
‡‡ Dr Chitra Bharucha MBBS FRCPATH FRSA
† David Ereira MSc
ø Carolyn Fairbairn
Professor Russel Griggs OBE
Ruth Holt RGN BSc DNCert MBA MSc
‡ Jeremy Jensen BSc, FCA
‡‡ Alison Norman CBE DSc RGN RHV RM
FWT Dipms
Professor Peter Rigby FRS, F Med Sci
‡‡ Dr L Caroline Stirling MB.BS, MRCP,
MSc, PhD
Peter Vicary-Smith

Independent Committee Members

Clinical Governance Trustees' Committee

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Dr Rhian Owen
David Bawden
Prof Annie Turner

Investment Committee

Lisa Bryan
Mark Chaloner
Geoff Love
Christopher Tracey MA

Audit Committee

Bernard Kelly BA, FCMA

Shops Committee

Gareth Williams (Chair)
Ian Jones
Maureen Ryan
Robin Harris

‡‡ Member of the Clinical Governance Trustees Committee

+ Member of the Investment Committee

* Member of the Audit Committee and Investment Committee

‡ Member of the Audit Committee

ø Member of the Shops Committee

Executive Board

As at 9 July 2013

Chief Executive

Dr Jane Collins MSc MD FRCP FRCPCCh
Medical Director
Dr Bill Noble MBChB MD FRCP FRCGP
Director of Community Involvement
Ruth Bravery
Director of Communications
Chris Dainty
Director of Fundraising
Fabian French MA
Chief Information Officer
Charles Hooper
Director of Services
Caroline Hamblett FCIPD
Director of Nursing
Dee Sissons MSc RGN
Director of Policy & Public Affairs
Imelda Redmond CBE
Director of Finance
Andrew Whitehead ACA
Company Secretary
Trevor Lake MA FCIS

Scottish Advisory Board

Professor Russel Griggs OBE (Chair)
Cinzia Biondi
Anne Jarvie CBE
Emma Mackenzie
Elaine McLelland
Iain Meiklejohn
John Neilson
Dr Hamish Wilson CBE

Northern Ireland Advisory Board

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Eugene Gallagher
Turlough Gorman
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John Heaslip, LVO
Nichola Lynagh
Anne Marie Marley
Joan McEwan
Bernard Mitchell
Pat O'Kane

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Mike Chown
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Susan Elsmore
Judith Hill
Julie James
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Paul Jones

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All Marie Curie Patrons are volunteers. They help Marie Curie Cancer Care by raising funds and promoting greater awareness of the charity's work and its need for support.

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Dr Celia Foulkes *Rutland (Leicestershire)*

Mrs Nella Probert *Suffolk*

Miss Sarah Holman DL *Warwickshire*

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Mr Paul Thandi
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Mrs Sally James *Gloucestershire*

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Mrs Lorraine Barrett AM
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Mrs Kate Corbett-Winder *Powys*

Mr John and Mrs Patricia Lister
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Mrs Pauline Clarke *London, Special Events*

Mr Geordie Greig *London*

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Our thanks

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Mrs Debbie Ross-Morren
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Our 2012-13 Impact Report shows how, every day, we help people in their final days. Find out more at mariecurie.org.uk/everyday

If you would like to know more about how you can help Marie Curie Cancer Care to provide more care to more patients, please contact us:

Phone: 0800 716 146 (free)
email: info@mariecurie.org.uk
Visit: mariecurie.org.uk

 MarieCurieUK

 @mariecurieuk

To make a donation

Call: 0800 716 146 (free)
Visit: mariecurie.org.uk/donate
or send a cheque to our registered offices below.

Offices:

Registered office

89 Albert Embankment
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Fax: 020 7599 7788

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Fax: 028 9088 2074

Scotland

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Fax: 0131 561 3909

Wales

Block C Mamhilad House
Mamhilad Park Estate
Pontypool, Gwent NP4 0HZ
Phone: 01495 740 827
Fax: 01495 740 889



Marie Curie Cancer Care gives people with all terminal illnesses the choice to die at home. Our nurses provide them and their families with free hands-on care and emotional support, in their own homes, right until the end.

mariecurie.org.uk

