

ANNUAL REPORT AND ACCOUNTS 2017



MACMILLAN
CANCER SUPPORT

A man in a green t-shirt is carrying a young child on his back. The t-shirt has the text 'LOVE WE ARE MACMILLAN CANCER SUPPORT' and a website URL. They are in a park setting with other people and trees in the background.

WELCOME TO OUR 2017 ANNUAL REPORT

We hope you enjoy reading about the great work achieved in 2017, which was only possible thanks to the efforts of many incredible people, including our supporters, campaigners, professionals and volunteers. Together we have achieved so much over the past year, and made a real difference to the lives of people living with cancer.



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Introduction

from the Chief Executive and Chairman

Julia Palca, Chairman

Julia joined Macmillan's Board of Trustees in October 2001 and was elected Chairman in July 2010.

Lynda Thomas, Chief Executive

Lynda joined Macmillan in 2001 and was appointed as Chief Executive in March 2015.



Last year, your generosity and dedication allowed us to offer vital support to more people living with cancer.

Cancer can affect every aspect of a person's life, from causing difficult physical symptoms, to money worries and relationship problems. This is why we continue to work hard to support people at the times they need and want our support the most, at diagnosis, during treatment and recovery, if they have treatable but not curable cancer, and at end of life.

It's crucial that people have access to and get personal, high-impact support to help them have the best possible experiences and outcomes during their cancer journey. Through our Macmillan professionals and services we provided this type of support to an estimated 1.6 million people¹ – 16% more people than in the previous year.

We couldn't give this personal support, and that provided through our website, Online Community, information resources and social media, without the hard work of our supporters and volunteers. Thanks to the money you helped us raise, in 2017 we spent £192 million to improve the lives

of people living with cancer – an investment which enabled us to increase our number of Macmillan professional posts across the UK by 13%.

We are proud that at the end of 2017 we had over 5,700 Macmillan nurse posts, almost 600 more than in 2016. These committed individuals supported 658,000 people throughout the year. We also had another 2,000 healthcare professional posts in England, Scotland, Wales and Northern Ireland. These posts include our cancer support workers who work closely with clinical nurse specialists to help people living with cancer access all of the support they need.

As ever, our aim during the past 12 months was to meet the all-round needs of people living with cancer, not just their clinical ones. As part of this work, we increased the amount of support our direct and partnership financial support services provide. This helped us secure £295.7 million in benefits and financial gains for people – £17.9 million more than in 2016.

We also developed and delivered a wide range of services to meet people's emotional, practical and information needs. For instance, we supported over 304,000 people through our cancer information and support services. We also extended the reach of our mobile information and support services in deprived and rural communities, and our Support Line services answered 152,000 calls, emails and letters. Having access to these services, and the depth and quality of information provided by our professionals and volunteers, really does help people when they need us the most.

Everyone who supports Macmillan – volunteers, campaigners and fundraisers – plays a crucial part in making all of this possible. Our magnificent fundraisers, for example, raised £247.7 million in 2017 – £2.8 million more than the year before. One of the ways in which they helped us achieve this was through another successful World's Biggest Coffee Morning which raised a superb £27.6 million. And we also must send a special thanks to the customers and employees of Marks & Spencer, the event's headline sponsor, who contributed £2.3 million to this total by fundraising in their stores.

In 2017, our income was boosted significantly by the two largest legacies we've ever received – one for £7.3 million and the other for £6.3 million. We're hugely grateful for this generosity and thankful to everyone who leaves a gift to Macmillan in their will.

We remain committed to managing our work responsibly and spending the money that our supporters donate and raise for us wisely. Our aim is to always reach and exceed the standards expected of us. We believe that Macmillan and all other charities must be fully open to the highest scrutiny about the way they operate and the behaviour of their employees.

One of the ways we are currently working towards best practice is by planning and preparing how we will fully comply with the new data-use regulations introduced in May 2018. We continue to do our utmost to provide everyone who supports us with best possible experience and by ensuring our fundraising work meets all relevant rules and regulations. To us, it's important we go above and beyond to keep safe all the information and data we hold.

Looking to the future, we know the number of people living with cancer is set to grow from 2.5 million to 5.3 million by 2040² – an increase partly due to continuing improvements in treatments which are helping people live longer following a cancer diagnosis. Though this is fantastic news, it also means more pressure will be placed on the UK's already struggling health and social care system. For this reason, we will carry on working tirelessly with our partners to improve cancer care and support on a local, regional and national level.

Given this complex and challenging environment, we need to be clearer than ever before about how we will focus our efforts to deliver our ambition for the ever-increasing number of people living with cancer. In 2018 we will finalise a new strategy which will shape our approach in the coming years, as well as launching our refreshed brand. Excitingly, this means that we will start to look and feel slightly different later in the year.

Thank you again to our committed supporters, volunteers, employees, professionals and partners for making 2017 a success. Without you, we simply could not have been there for so many people living with cancer when they needed and wanted our support.

Lynda Thomas

Julia Palca

About us

We work to help people living with cancer when they need and want our support. This could be when they're first told they have cancer, as they go through treatment and into recovery, if their cancer is treatable but not curable, or when they enter the end of their life.

How we help

When you have cancer you're still you. You have a life to lead, friends to see, family who need you and people to love. That's why we do all we can to help people living with cancer get on with their lives, no matter how cancer affects them.

Through our wide range of services and skilled professionals, we give people vital support to help meet their medical, emotional, practical, financial and information needs. This may involve us managing physical symptoms during treatment, providing advice that eases money worries, or giving someone the chance to talk about their feelings and whatever is troubling them. We know this tailored support is often key to helping people hold on to who they are and what's important to them.

Importantly, we also help people navigate their way through their cancer experience by helping to ensure their holistic needs are assessed and then met. We might do this by providing direct support ourselves or signposting people to the most appropriate services. Receiving this all-round support can make a huge difference

to their quality of life, given the complex nature of health and social care systems and the number of services a person living with cancer typically sees during their illness.

To help more people receive the right support, at the right time, we also work closely with and influence governments, the NHS and local authorities; and we continue to collaborate with many different partners to explore new ways of delivering better cancer care and support.

The changing cancer story

Around 2.5 million people are living with cancer in the UK. By 2040, this figure will rise to 5.3 million.⁹ This increase is due to improvements in cancer diagnosis and treatments, as well as the UK's ageing population. As a result, even more pressure will be placed on NHS services which are already struggling to keep pace with the demands currently put on them. That's why we are at the forefront of work which aims to redesign patient pathways and improve cancer care.

Our ambition

We want to reach and improve the lives of everyone living with cancer, and inspire millions of people to help us do this. Influencing all our work to achieve this aim are our Nine Outcomes, which focus on the issues that matter the most to people living with cancer.

1. I was diagnosed early.
2. I understand, so I make good decisions.
3. I get the treatment and care which are best for my cancer, and my life.
4. Those around me are well supported.
5. I am treated with dignity and respect.
6. I know what I can do to help myself and who else can help me.
7. I can enjoy life.
8. I feel part of a community and I'm inspired to give something back.
9. I want to die well.

THANK YOU



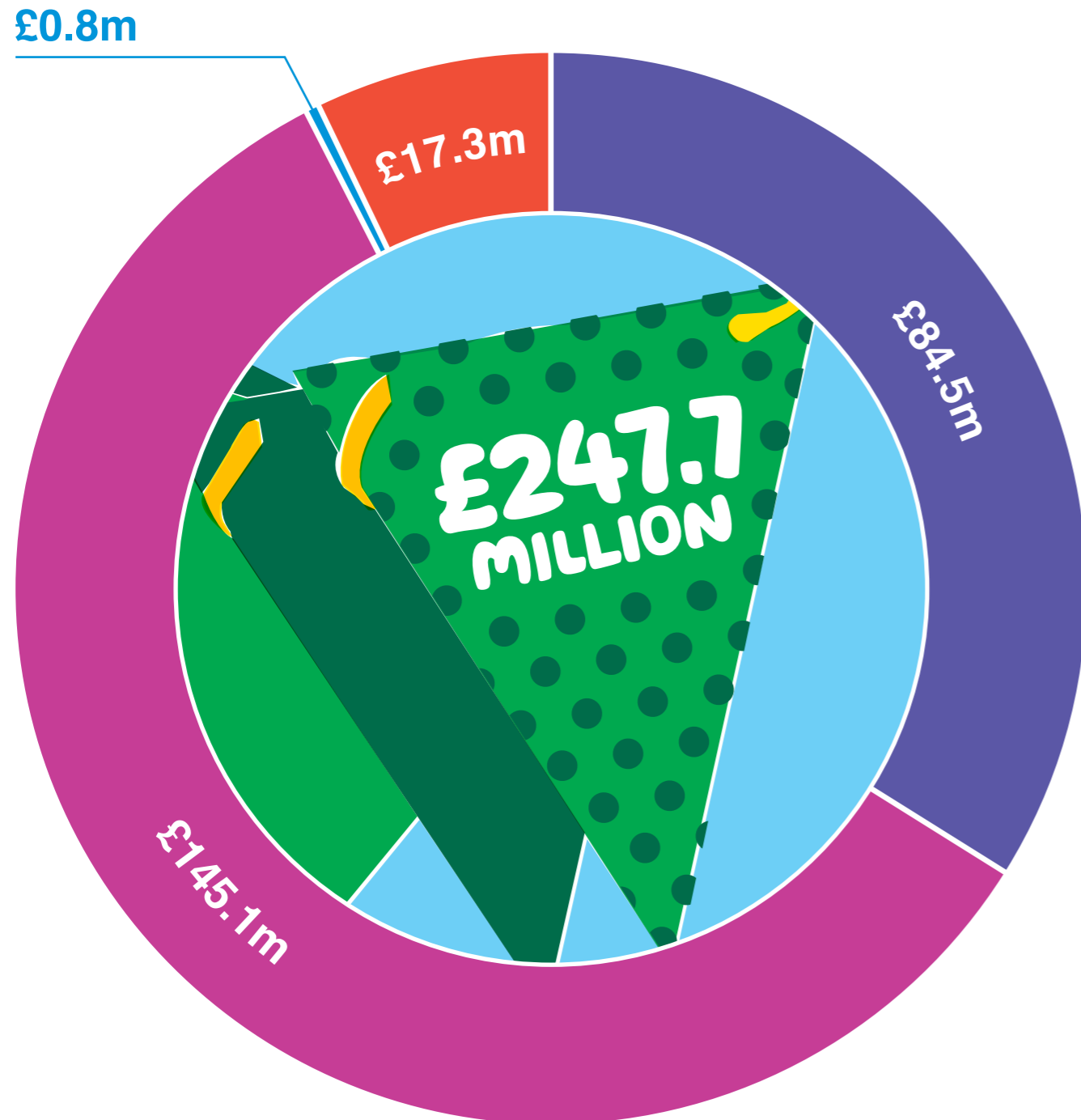
Regent's Park run 2017

Your support was truly amazing. But the reality is we can't let up with our efforts. With the number of people living with cancer set to grow from 2.5 million to 5.3 million by 2040, we need your continuing support throughout 2018 and beyond.

To fundraise, volunteer or campaign for Macmillan, please visit macmillan.org.uk/getinvolved or call 0300 1000 200.

How we raised our money

Our superb supporters raised a record **£247.7 million** in 2017.



Legacy income

This is from people leaving a gift to us in their will.

£84.5 million

Donation income

See our donation income breakdown on the right.

£145.1 million

Grant income

This income comes from specific grants given to support Macmillan initiatives.

£0.8 million

Income from trading activities

This includes income from our raffles and lotteries, fundraising committee sales, our online shop, licensing and other commercial activities.

£17.3 million

Local fundraising committees

This is donation income raised by fundraising committees in their local communities.

£4.5 million

Fundraising events

This includes national, challenge and local events.

£59.3 million

Corporate income

This is income from corporate supporters and partners.

£22.2 million

Philanthropy

This includes income from trusts and major donors.

£6.8 million

General donations

We raise lots of money from general donations by the public.

£13.7 million

Direct marketing

This is money raised by activities like direct debit campaigns and mailings.

£36.7 million

Donated services and facilities

This is services and facilities donated to us.

£1.9 million

Total fundraised income

£247.7 million

Investment income

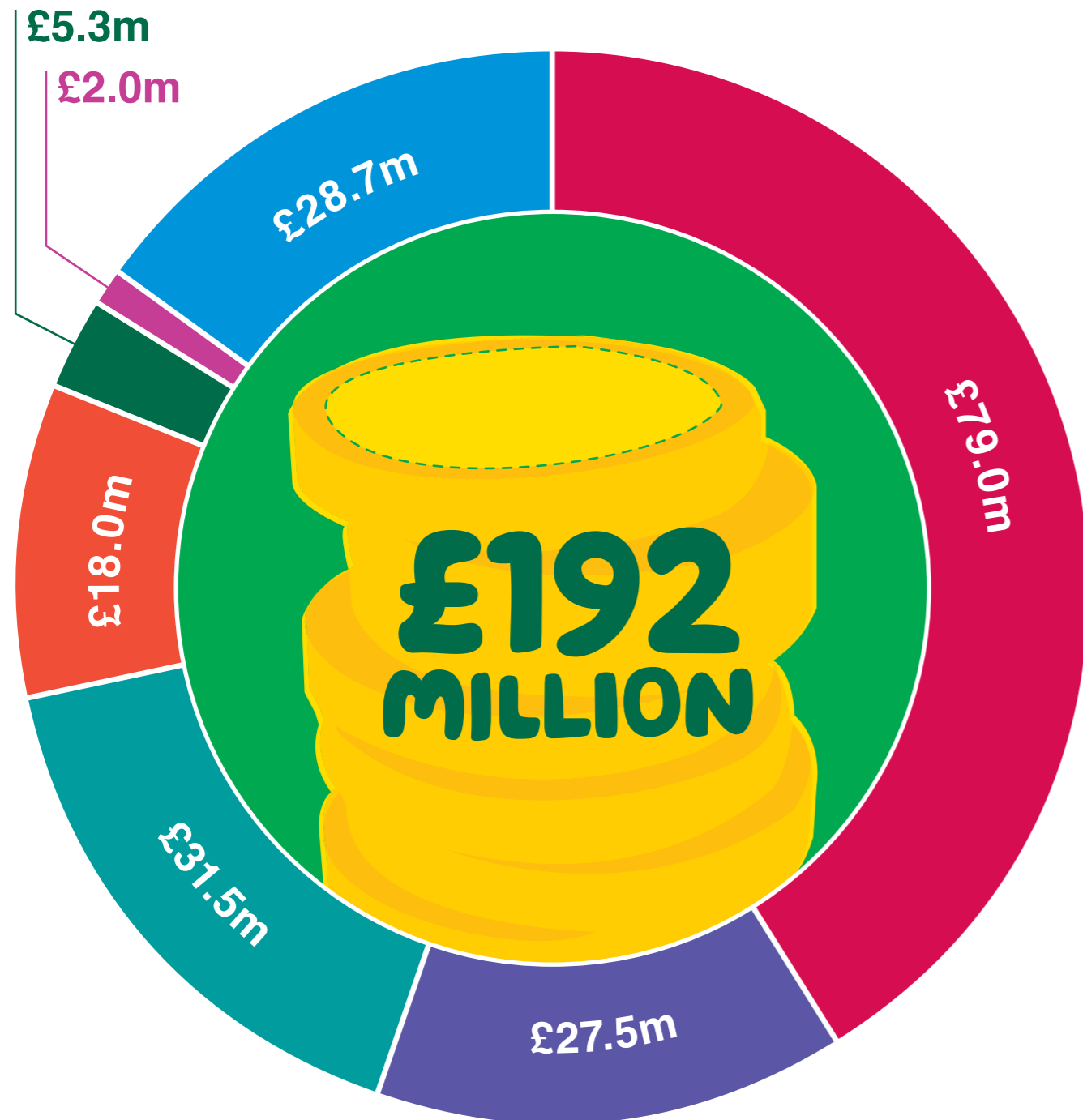
£5.0 million

Total income

£252.7 million

How we spent our money

We spent **£192 million** on services for people living with cancer, **£18.8 million** more than the year before.



Healthcare

We fund and support a range of health and social care professionals.

£79.0 million

Information and support

We provide people with information to help them make important decisions about their treatment and care.

£27.5 million

Financial support

We provide financial support to help people who are struggling with the cost of cancer, including through Macmillan grants, benefits advice and financial guidance.

£31.5 million

Practical and emotional support

We help people find the emotional support they need and get help with the practical issues arising from cancer.

£18.0 million

Learning and development

This includes providing training opportunities for professionals, volunteers and people affected by cancer.

£5.3 million

Inclusion

We want everyone affected by cancer to feel supported, no matter who they are or where they live.

£2.0 million

Campaigning and raising awareness

We campaign for changes to improve the lives of people living with cancer and raise awareness of issues most important to them.

£28.7 million

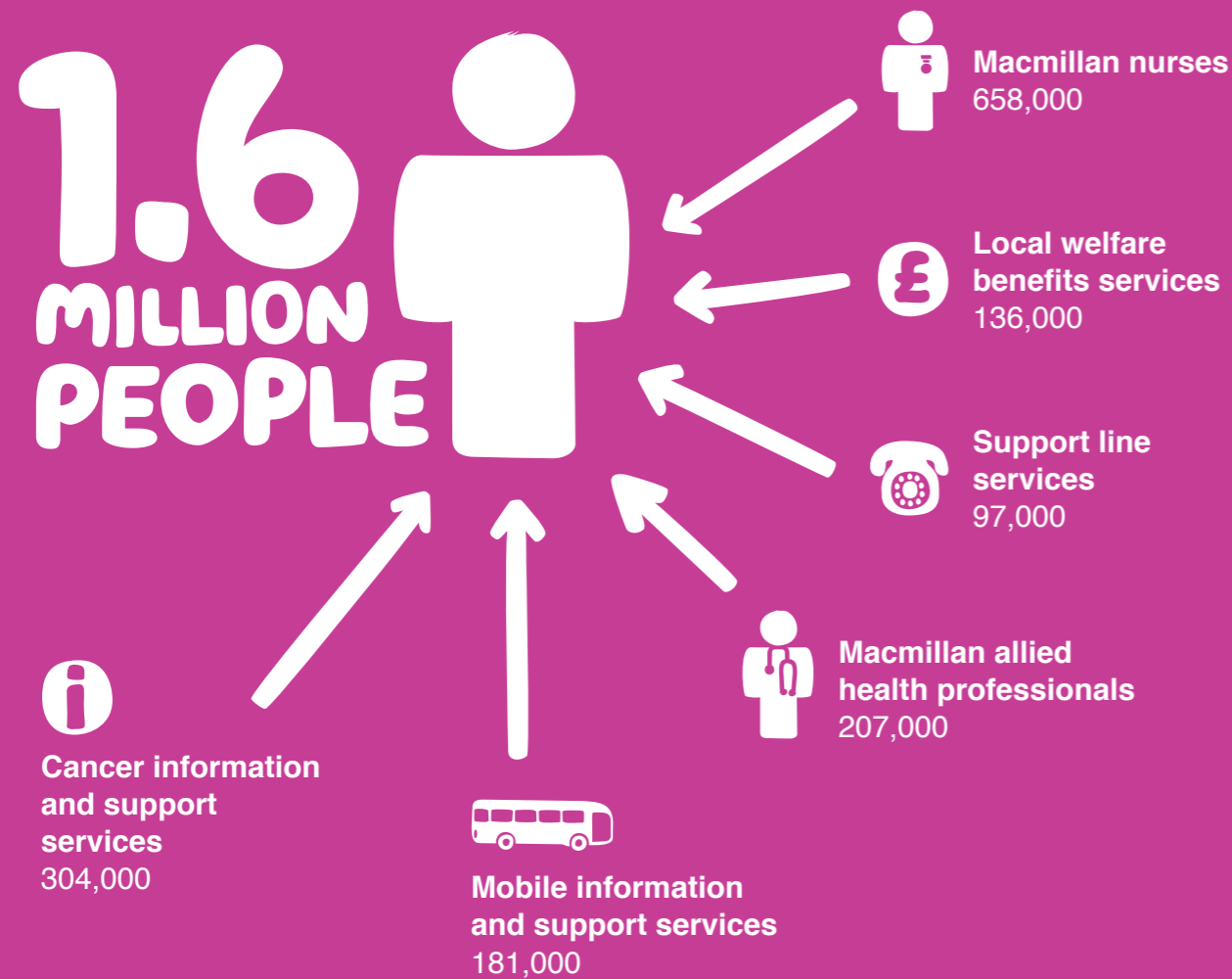
Expenditure on charitable activities **£192.0 million**

Expenditure on raising funds **£64.4 million**

Total expenditure £256.4 million

How we helped people

In 2017 we estimate that **1.6 million people** received **personal, high-impact support** from one or more of our Macmillan professionals or services.⁴ The reach of some of the specific services are shown below.*



*Please see *The reach of Macmillan's services fact sheet* for the breakdown of our full range of services. The 'unique people helped' totals for individual services should not be added together, as the result will no longer represent unique people helped across those services. This is due to most people accessing more than one Macmillan service in 2017. Rounding to the nearest 1,000 people (nearest 100,000 for information resources and online support) has been applied. Please see references for further detail.

This rises to a total of **6.5 MILLION** if we also include those who used our information resources and wide range of online support.



Online support
6,200,000



Information resources
3,600,000



It was just so reassuring for me to have Macmillan.

Venus, diagnosed with uterine cancer in 2010

PERSONAL SUPPORT THAT MEANT SO MUCH

Venus's Story

When Venus was told she had uterine cancer, she says, 'It felt like my whole world had collapsed. As though someone had stabbed a knife into my heart, just there and then.'

But within an hour Venus was sitting in a Macmillan information and support centre, starting to receive the expert support and guidance which would help her throughout her treatment and recovery. 'I just walked straight in and said to the lady sitting there, "I've just been diagnosed with cancer; my whole world has come to an end; I don't know anything about cancer. What do I do?" She sat with me for 20 minutes, held my hand, calmed me down, and found me lots of helpful information.'

During her illness, Venus says she also received lots of personal support from cancer information nurse specialists on the Support Line, visited our Online Community to chat to other people going through a similar experience, and returned to her local hospital's Macmillan centre to pick up more booklets.

'When I was at home I could ring and talk to a Macmillan nurse or log on and take part in discussions on the Online Community, night or day. I asked about uterine cancer, treatments and side effects, or just talked about my feelings and the way forward.'

Looking back, Venus says that money was also a major worry when she was ill. But thanks to the tailored information and practical support she received from Macmillan's Welfare Rights team advisors on the Support Line, she began to feel more in control of her situation. 'The thing I found most helpful was the practical help with filling in the application forms. It felt like somebody was on my side.'

Today, Venus is doing well and has returned to work as a teacher. She's also determined to support Macmillan's work in any way she can. Already, this has seen her fundraise for us, campaign on our behalf, and tell her story as one of our Cancer Voices who help shape cancer services and improve cancer care.

Healthcare services

We aim to make sure people living with cancer receive the very best healthcare, from diagnosis, through treatment and recovery, if they're living with a treatable but not curable cancer, and at the end of their life. This involves us funding and supporting many different professional roles, identifying and meeting people's holistic needs, and building and improving cancer environments across the UK.

Our 2017 achievements

Providing personal care

For many of our healthcare professionals, their work involves coordinating people's cancer care and helping patients and carers navigate through often complex health and social care systems. They also play a key role in improving the efficiency and effectiveness of NHS services.

In 2017, our aim was to increase the number of Macmillan healthcare professionals so more people benefit from the tailored, personal support they provide. Today, we have over 7,700 Macmillan healthcare professional posts across the UK, over 800 more than in 2016. This includes support workers, as well as almost 600 additional nurse posts, which takes our total to well over 5,700. To help our professionals develop in their roles and provide the best possible treatment and care, we offer them a wide range of support, including learning and development courses and networking opportunities.

Throughout 2017, our Macmillan nurses provided one-to-one support to 658,000 people living with cancer, helping to make sure all their needs were met, not just their clinical ones. Over the past year, our number of allied health professional posts, including radiographers, pharmacists and dietitians, increased by 19% to almost 1,500. We estimate they supported 207,000 people living with cancer during 2017.

In Northern Ireland, people often struggle to access the support of a clinical nurse specialist (CNS) following their cancer diagnosis, which means they're less likely to receive the holistic support they require. To change this, we funded and recruited 28 CNS posts in Northern Ireland last year, as well as 11 support worker posts. Importantly, the support workers free up the CNSs so they can spend more time coordinating people's care and tackling complex issues. They are doing this by helping people living with cancer self-manage aspects of their physical health and emotional wellbeing.

During 2017, we were delighted that Health Education England published its plans for the country's cancer workforce, informed by our expertise. Their new strategy commits to establishing hundreds of new posts to increase earlier diagnosis and sets out plans to give every person diagnosed with cancer access to a CNS or similar support worker by 2021.

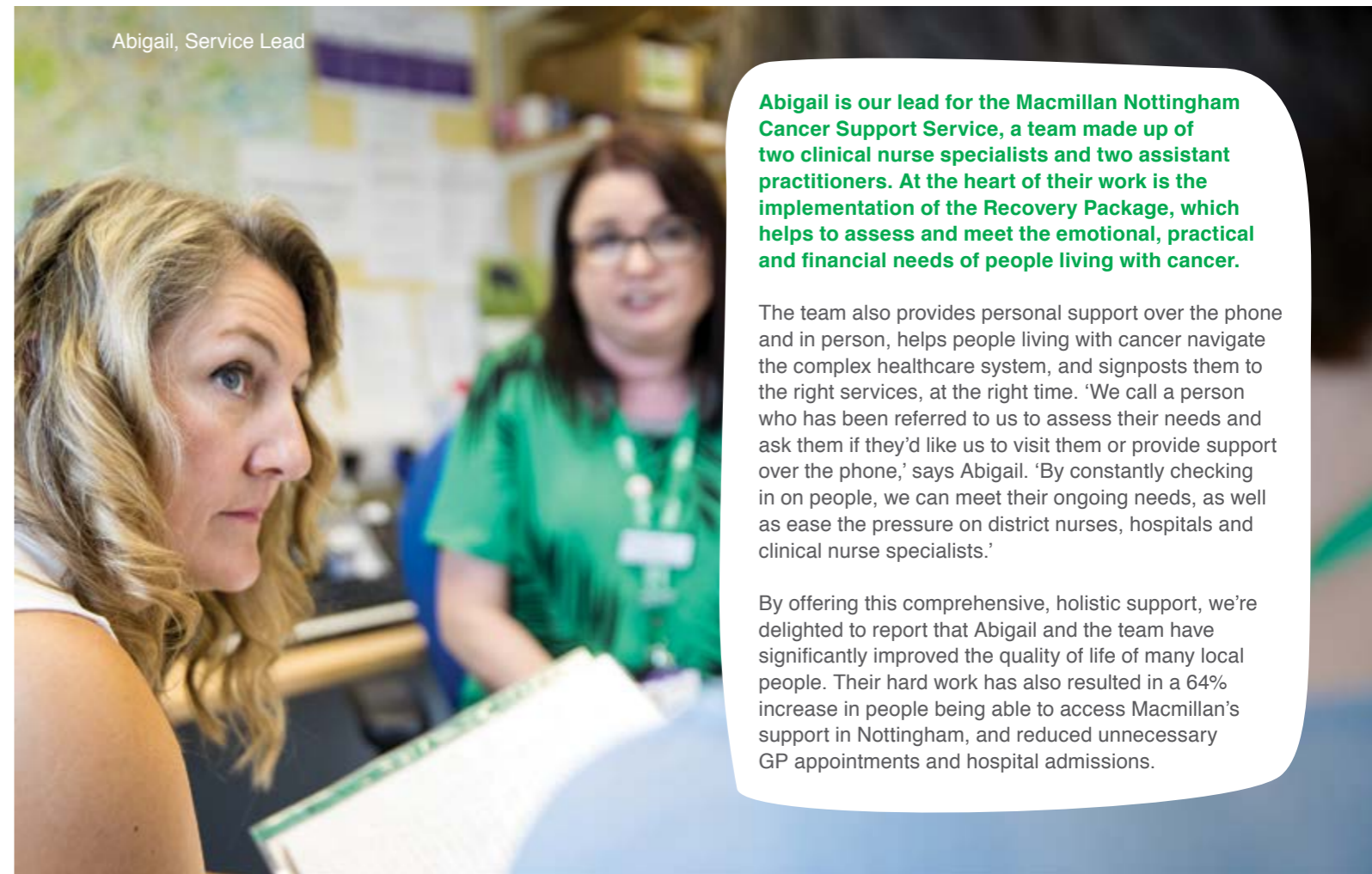
The clinical environments people visit during their cancer experience are also key to improving their health and wellbeing. So, throughout 2017, we aimed to give more people access to supportive environments that offer the best possible treatment, information and personal support. This saw us

open a state-of-the-art oncology unit at Chesterfield Hospital and refurbish and extend clinical environments at Hinchingsbrooke, Thameside and Angus.

Meeting holistic needs

Throughout the past year, our plan was to help more people benefit from the Recovery Package, a support and self-management package for people living with cancer. It features core elements including a holistic needs assessment, treatment summary, cancer care review and health and wellbeing events. It aims to identify and meet the holistic needs of people living with cancer to help improve their quality of life.

Abigail, Service Lead



Abigail is our lead for the Macmillan Nottingham Cancer Support Service, a team made up of two clinical nurse specialists and two assistant practitioners. At the heart of their work is the implementation of the Recovery Package, which helps to assess and meet the emotional, practical and financial needs of people living with cancer.

The team also provides personal support over the phone and in person, helps people living with cancer navigate the complex healthcare system, and signposts them to the right services, at the right time. 'We call a person who has been referred to us to assess their needs and ask them if they'd like us to visit them or provide support over the phone,' says Abigail. 'By constantly checking in on people, we can meet their ongoing needs, as well as ease the pressure on district nurses, hospitals and clinical nurse specialists.'

By offering this comprehensive, holistic support, we're delighted to report that Abigail and the team have significantly improved the quality of life of many local people. Their hard work has also resulted in a 64% increase in people being able to access Macmillan's support in Nottingham, and reduced unnecessary GP appointments and hospital admissions.

In response to this goal, we invested more than £33.8 million to develop services which can deliver the Recovery Package. We also worked with NHS bodies across the UK to encourage them to use our Macmillan electronic holistic needs assessment tool as standard. Since 2012, it has been used over 60,000 times to quickly and effectively assess the needs of people living with cancer.

On a strategic level, we continued to influence roll out of the Recovery Package across the UK. In England, this saw us continue to collaborate with NHS England to support the delivery of England's Cancer Strategy, which involves giving everyone access to the Recovery Package by 2020.

In Scotland, we continued to work with its government to implement the Scottish Cancer Plan's commitment to rollout services which focus on the delivery of holistic needs assessments. This includes the Transforming Care After Treatment programme and the Improving the Cancer Journey programme, which we committed a further £1 million to in 2017 (see page 40).

In Wales, we continued influencing work to ensure the country's Cancer Delivery Plan delivers on its commitment to patient-centred care, which includes assessing and meeting people's holistic needs. And in Northern Ireland, we continued the implementation of the principles of the Transforming Cancer Follow-Up programme across a wide range of tumour sites. This programme was the first to introduce the Recovery Package into cancer services in Northern Ireland.

Developing cancer expertise

Another important aim for us in 2017 was to develop and improve the skills and knowledge of our Macmillan professionals by providing them with a wide range of support. We did this by awarding 952 grants to individuals and groups for continuing professional development, which were worth £747,000. We also delivered a variety of face-to-face learning and development courses, which were attended by 7,100 Macmillan professionals, 5,200 more than in 2016. This is a clear sign that there is a growing need for professional learning and development opportunities outside of the NHS. We also hosted another inspiring national conference and excellence awards ceremony. These events provided important opportunities to share ideas and experiences, network and celebrate our professionals' life-changing work.

Specialist care at home

Our Macmillan Specialist Care at Home service model aims to offer people the specialist palliative and end of life care they need to live and die well in the place of their choosing. In 2017, our aim was to continue to test and evaluate the model at six locations in the UK.

Encouragingly, initial findings show that these six services are supporting people many months earlier than most palliative care services in their areas. For example, 58% of people who used our centre in Hull were, on average, receiving treatment five months sooner than they would have been otherwise.

End of life care

In 2017, we continued to work with NHS partners to improve the quality and availability of cancer care, especially at the times when people's needs are more severe and when they need and want our support the most. This included us working with the South West Ambulance Service Foundation Trust to equip its paramedics with the knowledge and skills to manage cancer emergencies effectively and meet the needs of cancer patients receiving palliative and end of life care.

Last year, we also continued to influence the government to improve end of life care across the UK. This included us carrying out research and publishing our findings in two insightful reports. We revealed that with the right support 64% of people with cancer would like to die at home but only 30% currently do. In contrast, only 1% would like to die in hospital but 37% of people currently do.⁵ We also continued to campaign for the governments of Scotland and Wales to implement their previous commitments to improving end of life care.

Our aims for 2018

- To fund and develop more Macmillan professionals, to help ensure more people living with cancer have their personal needs met, and to increase the effectiveness of NHS and other cancer services.
- To enhance the expert skills and knowledge of our professionals to help them deliver and improve cancer care.
- To give more people living with cancer access to the Recovery Package so all their needs are identified and they're provided with the holistic support they require.
- To further test and evaluate our Specialist Care at Home model, with the long-term aim of improving the palliative and end of life care people living with cancer receive.
- To improve end of life care across the UK by pushing governments and health and social care providers to meet previous commitments and implement new initiatives.

WHEN NEEDS ARE MOST SEVERE

Mark's story

Macmillan is always striving to develop and establish health and care services that meet the needs of people living with cancer, when they need and want our support the most. This is why we fund and support acute oncology services across the UK.

These services provide vital support to people who have an urgent problem related to their cancer or treatment, or have been diagnosed with cancer after attending A&E. One such service is based at the Berkshire Cancer Centre in Reading, where we've funded dozens of Macmillan professional posts. This includes Mark, a Macmillan Lead Cancer Nurse who plays a key role in delivering the centre's acute oncology service.

'We see people who might be known to us already or who have come in with side effects from treatment, have developed metastases from their cancer, or are diagnosed with a new cancer through an emergency admission.

'This can be an extremely frightening time for patients and their families, because they might not know exactly what's going on. We reassure them, assess and manage their symptoms, and refer them on if they need urgent treatment. We also admit them to hospital, when necessary, and visit them on ward rounds, as well as supporting other doctors and nurses caring for cancer patients.

'The aim of our acute oncology service is to make sure the people we see receive the most appropriate care as soon as possible. Critically, this can prevent unnecessary tests and overnight stays in hospital, and lead to earlier safe discharges. We know being home, with loved ones, is hugely important.'

'You can't imagine cancer care now without Macmillan Cancer Support.'

Mark, Lead Cancer Nurse

Information and support

We believe it's vital that people have easy access to the information and support they need throughout their experience of cancer. That's why we provide free, expert information resources and confidential support online, over the phone, in communities and in hospitals. We cover everything from treatments to money worries, physical symptoms to emotional wellbeing, and much more.

Our 2017 achievements

Easy access to information and support

Last year, our aim was to help ensure people living with cancer had easy access to the information and support they needed to make informed decisions about their care and treatment. We achieved this goal through the delivery of our information resources, website, Online Community, Support Line services and local information services.

In total, 3.6 million people used our printed information resources, which cover a wide range of cancer topics. The quality of these resources was officially recognised when we were recertified with the Information Standard, the Department of Health's quality mark.

During 2017, over six million people also visited our online support platforms for practical advice and

support, almost 926,000 more than in 2016. This includes over 1.5 million people using our Online Community to share their experiences, provide and receive information and support, and speak with professional experts and trained volunteers.

Last October, we were thrilled to appoint our first ever digital nurse specialist. This role is solely dedicated to answering the growing number of questions posed by people living with cancer on our website, social media platforms and our Online Community.

Our Support Line team of trained experts continued to provide people with support, answer their questions and listen to their worries. Overall, the teams answered 152,000 calls, emails, and questions received via our website, which was slightly more than in 2016. This supported almost 97,000 people. We also made it easier for people to get the support they needed by launching a live web chat service, and extending the Christmas opening times of our Support Line by five days.



Amanda, Team Leader

Amanda is the team leader for two of our six mobile information and support service buses that visit towns and cities throughout the UK.

The Macmillan experts on board, including information specialists, dietitians and financial experts give people easy access to support in their local community who can provide them with information on anything from spotting the signs and symptoms of cancer, to coping with the side effects of treatment and tackling money problems.

'For some of the people we meet on our travels, we open up a world of support that makes a huge difference to their lives. Our aim is to provide them with face-to-face support and information which helps to meet their all-round needs.'

Support closer to home

During the past year, we aimed to reach and support more people in their communities, and especially those who had not benefited from our information or support before. We achieved this goal by continuing to provide our mobile information and support services in high streets, communities and events across the UK. They reached over 181,000 people in 2017, an impressive 57% rise on 2016, and visited 490 communities that previously had not received this support.

We achieved this record-breaking performance because we spent 270 more days visiting places than in 2016. This was made possible by the introduction of two new bus services in Wales and north-west England. We also continued to successfully reach people who are less likely to access cancer information and

support, such as those from deprived communities. They made up 76% of the people we reached last year.

Through our partnership with Boots, we continued to improve access to cancer support and information on the high street. This included having over 2,100 Boots Macmillan information pharmacists at the end of 2017. They talk to people living with cancer to identify their emotional and practical needs, and direct them to sources of support. Last year, over 1,000 Boots Macmillan beauty advisors also helped people to manage the visible side effects of cancer treatment, such as hair loss.

Since our partnership with Boots started in 2009, its employees and customers have raised more than £15 million to support our life-changing services.

Face-to-face services

Throughout 2017, our goal was to develop our face-to-face information and support services so people receive personal support that's right for them. In response to this target, we opened four new information and support centres and completed improvement works to two existing centres. This means we now have 138 information and support centres across the UK, which helped over 304,000 people in 2017. This meant we could be there for people, in person, when they needed and wanted our support.

We also contributed £1.5 million to open the state-of-the-art Macmillan Support Centre on the health and wellbeing campus at Altnagelvin Hospital. The campus is the first of its kind in Northern Ireland to offer services which are focused on meeting the holistic needs of people living with cancer and other long-term conditions.

In Scotland, we continued to develop our Glasgow Life Information Service, which has received more than 10,000 visits since launching in 2012. The service aims to improve people's quality of life by providing high-quality cancer information and practical and emotional support in local libraries. Last year, it increasingly focused on reaching people in deprived areas.

Over the past 12 months, we worked closely with new and existing face-to-face services to help them adopt the best practice set out by our Macmillan Quality in Information and Support Services (MQulSS®) framework. Currently, the vast majority of our services are engaged with MQulSS®. This is helping them understand local needs and put in place the support that's needed to meet these needs.

Our aims for 2018

- To continue providing support through our information resources, Support Line services, website, Online Community, so people understand their care and treatment and can make informed decisions about them.
- To support over 200,000 people through our mobile information and support services and increase the depth of support they receive. In particular, we will aim to reach people from deprived and rural communities, who are less likely to have benefited from our information or support before.
- To increase access to the face-to-face information and support services people need, which will involve us opening five local information and support centres and one healthcare environment.

Last year, we appointed Ellen as our first dedicated Digital Nurse.

We did this so people can ask a question via our website or on our Online Community and social media and quickly receive an authoritative answer from a health professional. We believe this is extremely important, because some patients are leaving appointments without the information they need and so are turning to unverified internet sites which can leave them needlessly frightened and sometimes promote bogus cures.

'In my new role, I'm there to make sure people affected by cancer have a real person they can turn to online for information about their symptoms, cancer diagnosis and treatment.'



Ellen, Digital Nurse



If you need to know about drugs and symptoms, go onto the Macmillan website.

Doug, diagnosed with breast cancer in 2012

MORE INFORMED, MORE IN CONTROL

Doug's story

When Doug was 49 he was diagnosed with breast cancer, which affects about 350 men in the UK every year. Frightened and unsure about the future, he turned to Macmillan when he needed and wanted our support the most.

'When the oncologist told me I had cancer I don't remember anything else apart from asking if I was going to die. It was a scary and confusing time, not only for me but also my friends and family. Throughout it all, though, everyone was so supportive and I had a great experience with Macmillan.'

'Their information booklets and helpline were excellent, and I regularly used their website to find out more about my cancer, the drugs I was taking and the side effects they caused. I also received a grant for £300 to help with living expenses and transport to treatment.'

After finishing his treatment Doug says he was determined that something positive would come out of his cancer journey, so he began to write a blog for men affected by breast cancer. On it, he talks about his experiences during treatment and beyond, and how Macmillan has helped him in so many different ways. He also encourages his readers to find out more about our services and get in touch with us about any issue they're facing.

Financial help services

Six in seven people living with cancer face a variety of increased costs as a direct result of their diagnosis.⁶ This can be a significant factor in preventing people from paying their mortgages, keeping the heating on when they feel cold and paying for childcare. To tackle these issues and many more, we help people receive benefits they're entitled to, provide financial guidance and give one-off grants. We also work with partners to improve financial services and campaign for change to make money one less worry for people living with cancer.

Our 2017 achievements

Vital financial support

Our 2017 target for the Welfare Rights team within our Support Line services was for it to identify at least £50 million in benefits that people living with cancer were entitled to but not receiving. We also aimed to help cancer patients and carers benefit from other financial gains, to help ease their money worries.

In total, our Welfare Rights team actually identified over £62.9 million in unclaimed benefits for over 25,600 people. In comparison to 2016, this was an impressive 14% rise in value and a 13% growth in people supported.

Last year, our Financial Guidance Service continued to help people make informed decisions about issues such as pensions, savings and mortgages. In total, this expert support led to £3.9 million in financial gains being secured and almost 11,700

people receiving help to improve their financial situation. This was almost £1.9 million more than in 2016, and an extra 3,300 people supported.

Local welfare support

During the past 12 months, we continued to work with organisations such as local authorities and Citizens Advice services to provide benefits advice in local communities. These helped over 136,000 people secure over £211.4 million in benefits they were entitled to but not claiming. This was 15,400 more people than in 2016 and an extra £10.1 million in benefits.

Last year, we also aimed to improve the long-term sustainability of our local welfare benefits services, and particularly those located in the south and east of England, the Midlands, Wales and Scotland. We achieved this target in the first three areas by continuing to embed a new approach to service delivery. This focused on giving people greater access to face-to-face benefits advice early in their cancer journey and more in clinical

settings. As a result, £28.6 million in financial gains were secured for over 11,000 people, 21% more money than in 2016 and a 20% increase in people supported.

In Scotland, we improved the long-term sustainability of our local welfare benefits services by continuing to secure our highest level of external investment for them. Over the past year, these services secured a record-breaking £44 million in financial gains for people living with cancer.

Grants that mean so much

Macmillan Grants help people living with cancer who are on low incomes pay for essentials, such as heating bills and extra clothing. In 2017, our aim was to award grants worth £13.6 million to at least 34,000 people living with cancer. In fact, we helped 36,000 people and distributed £13.9 million in grants, which was 1,300 more people than in 2016 and nearly an extra £400,000 in grants.



Welfare Rights Officer Jacqueline single-handedly provides essential financial support to people living with cancer in Inverclyde and its surrounding areas.

Since her tireless work began in Scotland in 2008, she's generated more than £10 million in additional income for over 3,000 people.

This much-needed money has often been a lifeline and allowed many people to focus on getting better rather than worrying about how they'll pay their bills. 'I've seen people at their lowest because of the financial impact of cancer. People feel relieved when they discover they can claim benefits that they had no idea they were entitled to.'

Jacqueline, Welfare Rights Officer

Work and cancer

Each year almost 124,000 people of a working age, 15 to 64, are diagnosed with cancer.⁷ Our continuing aim is to help them by providing resources and advice and offering training to employers so they can provide quality support to any employee affected by cancer. Last year, this led to 2,100 more employers signing up to our Macmillan at Work service, taking our total to over 7,100. As a result, we delivered 50% more training sessions than in 2016, which were attended by over 1,500 line managers and HR managers.

Campaigning to reduce money worries

Four in five people living with cancer are, on average, £570 worse every month because of their cancer diagnosis.⁸ That's why we set ourselves the goal for 2017 to campaign to reduce the financial burden of cancer. Our aim was to do this by raising awareness among UK governments and other key organisations of the financial problems people living with cancer face every day.

In light of this, we launched our *No small change* report last February. It states our vision that by 2030 every person living with cancer should get the support they need to cope with the financial impact of cancer. The report also provided fresh insights into how

cancer affects people's finances, and mapped out how banks, the insurance industry and public sector could help tackle these issues.

In July, we also published our *In the balance* report. It outlines how people living with cancer struggle to receive support from their banks and what the banking sector can do to improve this situation. We continue to call on the government to introduce a duty of care for financial service providers to exercise towards their customers. This call has been backed by many MPs and members of the House of Lords and over 20,000 Macmillan supporters.

Working with financial partners

Throughout 2017, we continued to work with partners to reduce the significant financial impact of cancer. One of the ways we did this was by collaborating with Lloyds Banking Group to train and develop a dedicated Cancer Support team for Lloyds Bank, Halifax and Bank of Scotland customers. Team members help people living with cancer manage their finances and offer practical guidance on personal banking, savings, loans, mortgages and credit cards. They also direct customers to Macmillan for emotional, practical and other financial support, and receive referrals from us if we speak to one of their customers and believe the team could help.

By the end of 2017, the Cancer Support Team has supported 1,997 customers, and 1,430 people have been referred between Macmillan and Lloyds Banking Group. As a result of this collaboration, we have so far unlocked over £166,000 in financial gains for Lloyds Banking Group customers.

Since we helped Nationwide launch a Specialist Support Team in 2015, it has helped over 7,000 people with a serious illness make decisions about financial concerns. Out of this number, 2,400 were living with cancer. 1,000 people have also been referred between Macmillan and Nationwide services since the Team's launch. As a result, we have secured over £287,000 in financial gains for Nationwide Building Society members. The support the team offers is provided through a dedicated support manager and is tailored to the needs of the individual.

Our aims for 2018

- To continue to join up the financial support services we offer, so people living with cancer have even easier access to all the help they need.
- To continue to identify unclaimed benefits for people living with cancer through our Support Line services, and secure a wide range of other financial gains for them.
- To give £13.9 million in Macmillan Grants to 36,000 people living with cancer, to help meet their needs.
- To reduce the financial burden of cancer by raising awareness among UK governments and other key organisations of the financial problems people living with cancer face every day.

EASING MONEY WORRIES

Kris's story

Kris says his family was massively affected by financial problems after he was diagnosed with non-Hodgkin lymphoma. But thanks to the expert, tailored guidance they received from a Macmillan benefits adviser, their future is beginning to look much brighter.

'We were comfortable,' remembers Kris. 'But I had to stop work for treatment. I did return to work, but three years later I was made redundant. This is when the financial worries started. And even though I did find a new job, I wasn't able to do it because I started having anxiety attacks, which was part of some post-traumatic stress from the cancer.'

'It was then that we reached out to our local Macmillan centre and they put us in touch with a Macmillan benefits adviser. What was particularly welcome was that we had one point of contact. When you're an ill person, you cannot be dealing with multiple people and agencies to understand what you're entitled to.'

'What the adviser informed us about was which benefits were best for us, which ones we could apply for, and what chance we stood of receiving help. This took away some of the stress and some of the worry out of the situation, so that I could focus on recovery. Today, this means I'm able to go back to work and our financial situation is better. We also know we can go always back to Macmillan and they will find us the help we need.'



Macmillan is a constant when everything else is changing or unstable.

Kris, diagnosed with non-Hodgkin lymphoma in 2009

Practical and emotional support services

Cancer affects everything. Your body, your relationships, your money, everything. That's why we provide services that assess and aim to meet the holistic needs of people living with cancer. We also work with the NHS, other charities and community services to achieve the same results. We know this support can be vital in helping patients and carers navigate their way through their cancer experience and have a good quality of life.

Our 2017 achievements

Volunteer schemes meeting all-round needs

Last year, one of our aims was to continue to develop new ways for individuals and communities to provide emotional and practical support to people living with cancer. We successfully achieved this by further developing our volunteer-led support schemes. They help with everything from housework, shopping and gardening, to accompanying people to appointments, to regular calls to someone's home for a chat. By the end of 2017, these schemes had provided emotional and practical support on 12,100 occasions and to 1,800 people affected by cancer, 19% more people than in 2016.

One example of these important schemes is #WorkWell in Bristol. It provides mentors to 18 to 25 year olds living with cancer to help them prepare for work or training. Another successful scheme is The Cover in north-east England. It allows people living with cancer from traveller communities to anonymously receive emotional support via phone or text from volunteers. This is a vital service for many people, given that cancer is a taboo subject for the community.

Consistent, high-quality volunteer experiences

In 2017, we aimed to develop and assess how we support our volunteers so they have enjoyable and rewarding experiences and provide high-quality emotional and practical support. One of the ways we met this goal was by helping our volunteer managers work through our Macmillan Volunteer Quality Standards tool. This included us delivering training to nearly 200 volunteer managers. As a result, we are ensuring our volunteers are managed in a more consistent way and each and every volunteer has a great experience with us, no matter how or where they volunteer for Macmillan.

Encouragingly, the results of surveys we conducted throughout last year showed that typically our volunteers are enjoying their experiences with us. For example, 75% of volunteers who completed our questionnaire said they would recommend volunteering for Macmillan to other people.

In total, 4,800 people applied for volunteering roles listed on our Volunteering Village webpages in 2017. These ranged from volunteering at fundraising events, to providing practical support such as gardening, to campaigning to improve national and local cancer care.



Mabel, volunteer

Mabel understands the practical and emotional impact cancer can have on a person's life, after being diagnosed with and treated for breast cancer in 2011.

That's why she volunteers for Macmillan in a variety of roles. She wants to help more people benefit from a helping hand at such a difficult time in their lives, and give them the opportunity to speak to someone who knows what they're going through.

One of the ways Mabel does this is through her role as the lead volunteer at the Little Buds befriending scheme in Warrington. Mabel says the project matches people living with cancer with volunteers who offer companionship and help with practical tasks such as helping housebound people go shopping. 'Our little acts of kindness have such a positive impact on the wellbeing of the people we support.'

Last year, we also continued to ask volunteers to participate in our UK Volunteer Forum to help shape our work. Their expertise and insight proved invaluable to a review of the current state of volunteering within Macmillan and the development of our new volunteering strategy. We also asked a number of volunteers to sit in on interviews for roles at Macmillan, including some for jobs within our Senior Leadership team.

Identifying and supporting carers

Across the UK, almost 1.5 million people, including many hidden carers, look after someone with cancer. Based on our research, we know that more than half of these carers are not receiving the support they need, and the situation is getting worse. This is why we continue to develop and deliver awareness raising campaigns to ensure more people are identified as carers and benefit from the

information and support available to them. In 2017, our work in this area helped to generate over 100,000 visits to Macmillan webpages, which helped people to learn about the support available to carers and how they can access it.

Delivering personalised social care

During 2017, our goal was to work closely with local authorities to explore how we can improve social care so more people living with cancer receive the support they need. With this aim in mind, we continued to build on our work with Durham and Dundee local authorities, which began in 2016. We also established three more partnerships with the local authorities of Fife, Manchester and Tower Hamlets. The aim of each local authority partnership is to design and deliver personalised, coordinated and accessible care and support that meets people's wider holistic needs, not just their clinical ones.

In Dundee, this has resulted in the local authority launching a service that sends a letter to every person newly diagnosed with cancer to tell them about community support services and how they can access them. Cancer navigators then carry out holistic needs assessments to help people receive the right support, at the right time. This is something our partners in Durham and Fife will also do.

Our aims for 2018

- To continue to provide our volunteers with enjoyable and rewarding experiences.
- To support our volunteers so they can meet people's emotional and practical needs during their cancer journey.
- To develop a greater understanding of the value that volunteering brings to people living with cancer, Macmillan and the volunteers themselves.
- To continue working in partnership with local authorities to explore how we can provide social care support which meets the holistic needs of people living with cancer. This will include launching services through two of our partnerships.

When Anne was treated for oesophageal cancer, she says she 'was desperate to meet someone else who had had the same treatment and would understand how lonely you can feel'.

Now eight years on, she volunteers for a Macmillan buddy service which involves her chatting to people in the waiting room of the head and neck cancer unit at Bath's Royal United Hospital. 'One of our team of buddies goes each week to the unit, so there is always someone there to offer support. We help people who have only just learnt they have a head and neck cancer, or they might be nervously waiting for results or going through treatment.

'We also sometimes sit alongside people when they're having their chemotherapy. We share our stories in an open and honest way, so they know they aren't facing cancer alone, and they can see that someone else has been there, and got through it, and is still here, which is very powerful for them.'

'If we learn a person has financial concerns, issues with fatigue or eating problems, we signpost them to other Macmillan and partner services which can help them. Giving back in this way is wonderful. I also find it helps me process what I went through. It's liberating to put cancer into perspective and to see how far I've come.'

Anne, volunteer

Changing the cancer care system

Today, cancer services and health and social care systems struggle to meet the holistic needs of the UK's 2.5 million people living with cancer. Over the next two decades, this situation will get worse, with this number set to rise to 5.3 million by 2040. To help more people receive the support they need, we continue to influence governments, the NHS and local authorities, and work with partners to explore new ways of delivering better cancer care and support.

Our 2017 achievements

Influencing national strategies in England, Scotland and Wales

In 2017, our aim was to influence and support the implementation of the cancer strategies for England, Scotland and Wales. In England, we did this by increasing awareness of important issues and building on previous successes. This included publishing our *Warning signs* report, which sets out the current pressures and challenges in the cancer care system. It also highlights the investment the government and NHS partners still need to make to address these issues and deliver on the ambitions set out in 2015's Cancer Strategy for England. These ambitions are to improve cancer care and support and people's experiences and outcomes from diagnosis to end of life.

In October 2017, we also published *Am I meant to be okay now?* It provides compelling evidence that more needs to be done to address the significant emotional and physical issues people recovering from cancer often face. We're now calling on the government and the NHS to address

pressures within the cancer care system and invest in services to ensure the holistic needs of people are met after their treatment ends.

In Scotland, we continued to work with its government to drive forward the implementation of the Scottish Cancer Plan. This included us raising awareness of the Plan's commitment to spread learning from Macmillan's successful Transforming Care After Treatment (TCAT) programme. We did this by speaking to members of the Scottish Parliament and other influential figures and talking on social media about the need to act on this commitment.

In Wales, we urged the government to develop a performance framework to ensure that the impact of its Cancer Delivery Plan for the NHS to 2020 is measured effectively and in a transparent way. We also launched our *Your cancer care in Wales* guide in November 2017, which is now available in 85% of constituencies in Wales. We created this guide to help people living with cancer feel less fearful about the future following their diagnosis, make well-informed decisions about their treatment, understand their rights, and become

more aware of what they can expect from their healthcare team. To help promote the guide, we worked with Welsh Assembly Members to recruit 'champions' across Wales who were committed to raising awareness of the guide in their local area.

Campaigning for Northern Ireland's new strategy

Last year, we aimed to influence for a new cancer strategy for Northern Ireland. Encouragingly, we did secure support from all of Northern Ireland's political parties for a new strategy. However, because of the absence of a government, building on this agreement and developing a new strategy has been extremely challenging, and is likely to remain so for the foreseeable future.

UK general election

In response to the snap general election in June 2017, we ran a campaign called Cancer Matters. Our aim was to highlight the need for people to receive world-class treatment and support following a cancer diagnosis. This includes high-quality end of life care, support to help them remain in and return to work, and guidance to help them claim welfare benefits they're entitled to.

As part of the campaign, over 1,700 of our campaigners sent around 2,800 emails to parliamentary candidates running for election in 91% of the UK's constituencies. This resulted in the three main parties in Westminster including our calls in their manifestos. We were also delighted that 91 candidates who expressed support for our campaign were elected as MPs.



Gordon, volunteer

Local and regional large-scale projects

For 2017, we set ourselves the target to continue to work on and evaluate local and regional large-scale partnership programmes. This is so we can share learning and evidence from these projects with other organisations to help them improve the experiences and outcomes of people living with cancer.

In response to this aim, we continued to influence and deliver more than 20 major partnership projects, including our Improving the Cancer Journey (ICJ) programme in Glasgow. It focuses on providing everyone who is diagnosed with cancer in the city with the opportunity to have a holistic needs assessment (HNA) with a link officer. Following the HNA, the officer refers or signposts people to community services and organisations that can help meet their all-round needs.

Last year, we carried out a second interim evaluation on ICJ. It revealed that since the programme started in 2014 it has supported over 2,400 people, with 61% of these people coming from highly deprived areas. Reassuringly, the evaluation also highlighted the positive impact ICJ is having, with people saying they valued its holistic approach and having access to a single place that can deal with their problems and worries. It also showed that the top three needs of people who had an HNA were money and housing; being tired, exhausted or fatigued; and struggling to get around. In addition, their average 'worry' score about their personal concerns dropped significantly between their first ICJ assessment and their last review: from 7 to 4 out of 10.

In 2017, we also committed over £1 million to further develop our Improving the Cancer Journey programme in Fife. This involved us using learning from our ICJ programme in Glasgow and establishing strong partnerships with local health and social care providers and public sector organisations. Our overall aim for the project is to put people living with cancer and their families at the centre of decision making about their care. Key to achieving this goal is offering holistic needs assessments to people and improving their access to community services which can provide them with the support they need.

Overall in Scotland, research has shown that following cancer treatment many people do not receive the support they need to deal with ongoing physical, emotional and financial issues. This led to the launch of the Transforming Cancer After Treatment (TCAT) project in 2013, which involves Macmillan working closely with the Scottish government, the NHS and local authorities. The aim of TCAT is to transform health and social care services and systems so cancer survivors can live the best life possible, for as long as possible. In 2017, we invested a further £635,000 to help us achieve this goal. In particular, we focused on delivering holistic needs assessments, to help people self-manage their own care, and establishing the support services people living with cancer need.

As part of our wider Macmillan Cancer Improvement Partnership in Manchester, we continued to develop our North Manchester Macmillan

Palliative Care Support Service. Launched in April 2016, it focuses on providing coordinated care closer to home and preventing unnecessary hospital admissions. To help do this, we established new cancer services at Salford's Cornerstone day centre for vulnerable and disadvantaged adults. These include lymphoedema (excessive accumulation of tissue fluid), dietetic and occupational therapy clinics. We also helped to make sure more people in north Manchester were placed on GP palliative care registers, with the number rising from 380 to 826 since the service was launched. This increase is important because placing a patient on this type of register typically leads to better care at the end of life.

During the past 12 months, we continued to act as facilitators and advisers to the Staffordshire Transforming Cancer and End of Life Care programme. We also ensured a consistently strong patient voice was heard at every stage of the project. Although ultimately the programme

did not lead to clinical commissioning groups and NHSE Specialised Commissioning awarding cancer or end of life care contracts to any service providers, many positives still resulted from the project. This includes the project's core objectives, which were to improve cancer survival rates and patient experience, being fully integrated into the plans of local NHS trusts. The work in Staffordshire also set a new standard for the engagement of NHS patients, in terms of numbers and their involvement in the decision-making process. This level of patient involvement is now being emulated elsewhere in the NHS.

Care and Wellbeing Fund

Our co-investment in the £12 million Care and Wellbeing Fund with Big Society Capital continued to develop initiatives within the care sector in 2017. The aim of this is to drive innovation and create sustainable, community-based services which allow people living with cancer to access the all-round support they need, whenever and wherever they need it.

Our aims for 2018

- To influence and support the implementation of the cancer strategies for England, Scotland and Wales.
- To continue to push for and influence the content of a new cancer strategy for Northern Ireland.
- To continue to work on local and regional large-scale partnership programmes, and to use the learning and evidence we acquire to improve other cancer services and healthcare systems.

Fundraising

The dedication and generosity of our supporters makes everything we do possible, with 98% of our 2017 income coming from fundraising. So thank you to everyone who did what they could to support our work. You are absolutely vital to people living with cancer receiving the support they need from diagnosis, through treatment and recovery, if they have a treatable but not curable cancer, and at the end of their life.

Our 2017 achievements

Raising the money we need to change lives

One of our key aims for 2017 was to increase our annual fundraised income so we could do even more to support the growing population of people living with cancer in the UK. We're delighted to say we achieved this, with our total fundraised income reaching a record-breaking £247.7 million, which was £2.8 million more than in 2016.

We're also incredibly grateful to everyone who left us a gift in their will. In 2017, our legacy income grew by over 10% to £84.5 million. Helping to make up this figure was two of the largest legacies we've ever received – one for £7.3 million and another for £6.3 million. We also received three other legacies for over £1 million.

As always, a major highlight of the year was our World's Biggest Coffee Morning event. Celebrating its 27th anniversary in 2017, it raised a phenomenal £27.6 million, thanks to the continued dedication of our coffee morning hosts, everyone who attends a get together and our event partners. In no small way, this includes Marks & Spencer, our headline partner.

Last year, their customers and employees raised £2.3 million through fundraising in stores and purchasing special Coffee Morning products.

We were also thrilled that M&S supported us in many other ways. This included giving their customers the option to choose Macmillan as their charity of choice, with M&S donating 1p to us every time they used their Sparks card. As a result of this initiative, we received a donation of almost £740,000 from M&S. This took their overall fundraising total for us since 2010 to £13 million, money we've used to fund essential Macmillan services including professional posts across the UK.

Since our partnership with the National Garden Scheme (NGS) began in 1985, it has donated £16.2 million to support our work. This includes a sum of £1.5 million that was donated between 2015 and 2017 to help fund the NGS Macmillan Unit at Chesterfield Royal Hospital. Opened in June last year, the state-of-the-art centre allows people from north Derbyshire to receive cancer treatment, information and support in one purpose-built centre.

All our corporate partnerships continue to be extremely important to us and offer companies across the UK a great

way to get involved in something really worthwhile. Last year, Greene King reached a fundraising total of £3 million, thanks to fantastic support from its staff and customers since 2012; PizzaExpress celebrated raising over £1 million since May 2016; and Card Factory hit the £5 million mark, having organised lots of great fundraising activities since 2006. In addition, npower gave £402,000 in 2017 to fund the Macmillan Energy Advice team and fuel grants for people living with cancer who are struggling to pay their energy bills. The company also caps energy bills for eligible customers living with cancer to help them keep warm without the worry. This is done through npower's Macmillan Fund which is currently valued at almost £1.6 million. We also continue to work together with a range of organisations to deliver more of the support services that people living with cancer need (see pages 23 and 30–31).

In 2017, we were thrilled to receive a very generous donation of £3.25 million from the Yorkshire philanthropist Sir Robert Ogden. This gift matches Macmillan's contribution to the building costs of the Sir Robert Ogden Macmillan Centre in Northallerton, North Yorkshire. Sir Robert has been a supporter of Macmillan for over 30 years and has previously funded and helped to build and design Macmillan centres in Harrogate and Leeds.

In Wales, the Moondance Foundation – the charity set up by Henry Engelhardt CBE and his wife, Diane Briere de l'Isle-Engelhardt OBE

– thoughtfully donated £500,000 towards the building of the new Macmillan Y Bwythn Specialist Care Unit in Glamorgan.

Developing new ways to raise money

One of our goals for last year was to develop new and innovative fundraising products that engage current and new supporters. This saw us launch Whodunnit? at the start of 2017, a murder mystery event that over 16,000 people registered to get involved with.

Overall, though, we did not develop and test as many new activities and products as we would have liked to. This was due to us reviewing and improving our innovation process between June and December. But we can report that many of our new products from recent years continued to go from strength-to-strength during the past 12 months. This included our Go Sober for October event, with thousands of people registering to go alcohol free for a month to support Macmillan. Our sober heroes went on to raise £5.2 million last year, £1.1 million more than in the previous year. Thousands more people also took part in Brave the Shave in 2017, raising £5.1 million by cutting off their hair.

Our series of Mighty Hikes across the UK also continued to do well in 2017, with thousands of hikers raising £4.7 million. This compares to £1.4 million raised in 2016. Our Macmillan Lotteries also raised £11.4 million.

Our approach to fundraising

At Macmillan, we believe in maintaining the highest possible principles when fundraising. In 2017, we aimed to do this by making sure all our fundraising activities were compliant with regulatory standards and providing our supporters with the best possible Macmillan experience.

As part of this commitment, we continued to deliver on all the pledges stated in our new Macmillan Supporter Promise. This includes putting our supporters at the heart of our decision making and ensuring they feel completely secure when they donate to us. We also continued to do our utmost over the past 12 months to deliver the high-quality fundraising experiences our supporters want and deserve. This involved us carrying out a wide range of work to make sure we continue to adhere to guidance set out by the Charities Act. This work is explained in detail in each of the sections below.

Fundraising standards

We are proud to be a founding member of the Fundraising Regulator, which was established in 2016. Last year, we continued to deliver a programme of work to make sure we comply with all relevant rules and regulations and subsequently provide everyone who supports us with the best possible supporter experience. This included us looking at the best ways to contact our supporters and increasing training for new and existing staff to ensure we adhere to the high standards our supporters expect.

Over the past 12 months, we also started to deliver a significant project to ensure our use of data complies with the new General Data Protection Regulation, which came into effect in May 2018. It will involve us implementing a new approach to gaining permission from our customers to use their data and delivering tailored staff training and guidance. Due to the scale of this programme, we will continue to shape and deliver it throughout 2018 and beyond; and overall, we remain totally committed to protecting our supporters' personal information and being transparent about what we do with it.

In 2017, the Fundraising Regulator invited suppliers who are involved with fundraising activities to register with them. In response, we encouraged a number of our fundraising partners to register. In 2018, we will encourage more to do the same, although it is not appropriate for all our suppliers to register. We will also continue to include fundraising compliance clauses in our contracts with suppliers who directly interact with the public.

As part of our work to make sure we comply with fundraising regulation, we monitored our suppliers and undertook reviews to ensure they meet the same high standards we expect of our own fundraisers. This led to us terminating our partnership with one supplier last year, as we were not satisfied with their compliance with regulation. We also formalised and strengthened our processes for agreeing which fundraising activities we undertake.

Helping our supporters and addressing complaints

Throughout 2017, we continued to let our supporters know that they could contact us if they ever had a query or needed guidance. As a result, we handled just over 400,000 enquiries last year, by phone, email and webchat. These covered a wide range of issues, including planning and undertaking fundraising events or collections.

Last year, the Institute of Customer Service (ICS) released its first ever report on how well fundraising charities are performing at satisfying the needs of their customers and donors. We were delighted to come top of this report. We also surveyed our own supporters about their most recent experience with Macmillan and learnt that 83% were extremely or very satisfied with it. This was 1% more than in 2016.

However, despite our best efforts, we do know we don't always get everything right. Last year, we managed just over 6,600 complaints about our fundraising, marketing and communications. This was over 2,000 more complaints than in 2016. Although this figure is significant, it reflects our new approach to feedback, which encourages our employees to capture all individual comments about how we can improve, not just complaints. The reason why we have adopted this approach is so we can learn more lessons, put more things right and consistently deliver what our customers expect.

Donald, diagnosed with testicular cancer in 2016



After he was diagnosed with testicular cancer, Donald says he needed to get his head around what was happening and what the future could hold.

Something that really helped him to do this was Macmillan's Online Community: 'All you want to hear from is someone who has been there and done it before.'

To say a big thank you for this invaluable help and all of Macmillan's services, Donald decided he wanted to fundraise for us. So first of all, in June 2016 Donald and some of his friends headed out on the fairways, took on our Longest Day Golf Challenge and raised £2,800. He then pounded the streets of Edinburgh in May 2017 and raised over another £1,500 by completing the city's half marathon.

We also constantly review the relationships we have with our fundraising suppliers. We take action where these do not work out as agreed to make sure we address complaints from our supporters, and in some cases this would mean terminating our contract with them.

The vast majority of the complaints we received were from people who felt we could have done more to support their fundraising efforts. The other main areas of complaint focused on communication errors and concerns about insensitive products or campaigns. This included people not receiving thank you letters and other communications, as well as receiving unwanted communications, and people expressing concerns about our Brave the Shave fundraiser and a TV advert, which showed someone vomiting.

Overall, we take every complaint we receive very seriously, as our aim is always for our supporters to have a high-quality experience with us.

We also make sure we respond to every complaint individually, with the intention of turning it into a positive experience for the supporter and something we can learn from. We take great pride in listening to what our customers have to say about us, whether negative or positive, because all feedback is key to us continuously improving our supporter experience.

Protecting vulnerable people and the wider public

Our aim is to make sure the privacy of our supporters is fully protected, and particularly in the cases of vulnerable people. We are also committed to ensuring that no vulnerable person feels subject to unreasonable intrusion of privacy or persistent or undue pressure to donate. As a result, we continue to have a Fundraising with People in Vulnerable Circumstances Policy in place. This is covered in our staff and supplier compliance training. This has helped our staff and fundraising suppliers develop a clearer understanding about how to manage conversations with vulnerable people. During 2017, we also continued to look for opportunities to further protect vulnerable people and improve our processes in this area. This led to us updating our commercial participation agreements, as we wanted to reflect the new requirements and specifications set out in the 2016 Charities Protection and Social Investment Act.

Our aims for 2018

- To increase our fundraising income so we can provide even greater support to the UK's growing population of people living with cancer. This is part of our larger goal to increase our fundraising income over the long term, to help us meet the needs of the UK's growing population.
- To understand how our supporters engage with us locally and through digital platforms, so that we can provide them with greater access to the help and support they need at the times they need them.
- To continue to integrate processes across Macmillan to ensure everyone has a high-quality, recognisable and seamless experience with us, whether they're a person living with cancer or one of our supporters.
- To make sure our fundraising activities meet all relevant rules and regulations, including compliance with the changes in legislation introduced by the new General Data Protection Regulation. This will include implementing a new approach that puts our customers in control of how we communicate with them.
- To develop new fundraising opportunities and enhance existing activities to engage current and new supporters, through running three rounds of innovation in 2018.



Priti, diagnosed with Ovarian cancer in 2014

SAYING THANK YOU FOR INCREDIBLE SUPPORT

Priti's story

After being diagnosed with ovarian cancer in 2014, Priti turned to Macmillan for information and support to help her through such a difficult time. So grateful for the help she received, Priti decided to fundraise to ensure more people benefit from our life-changing services.

'I found Macmillan Cancer Support very, very helpful during my cancer journey. I used its information and support service at Hammersmith Hospital, in west London, to pick up many booklets on various subjects, which really helped.'

'But definitely the most helpful thing was having a Macmillan nurse to explain and demystify chemotherapy, what to expect, and how to deal with symptoms and side effects. She really was a shoulder to

lean on when I was feeling vulnerable or emotional – someone apart from family and friends who knew what I was going through and the support I needed.'

To say thank you for the wide range of information and support she received, Priti decided to open up her garden to family and friends and host a coffee and cake day, raising a fantastic £1,000. This is enough to run a Macmillan information and support service for over a week.

Staff and infrastructure

Our employees are important ambassadors for Macmillan and key to us being there for more people living with cancer at the times they need our support. This is why we place a strong focus on helping staff members exemplify our values, perform to a very high standard and develop as individuals.

Developing our staff

Our aim in 2017 was to continue to support our employees so they have skills and knowledge to do their jobs to the best of their ability. We did this by offering learning and development opportunities to all employees, with a strong focus on career and manager development, performance management and mentoring. Last year, over 4,200 places were taken up on training sessions and employees also benefited from peer support and mentoring.

Equality and diversity

Gender pay reporting requirements came into force in April 2018. Based on April 2017 data, our median pay gap is 9.9%, which is approximately half the national average. This is mainly driven by a disproportionate number of men in technical roles which require a higher market rate of pay, for example, in IT. Many of these higher salary roles are also based in London, where we have to pay a higher rate to remain competitive within the market. If we exclude these salaries in London, our gender pay gap drops to less than 1%.

While our gender pay gap is lower than the national average, we believe that any gender pay gap is unacceptable. As a result, we are doing a number of things to further reduce the gender pay gap at Macmillan. This includes a pledge to attract and recruit more women into technical and senior roles.

Nurturing future talent

During the past 12 months, we continued to run our joint graduate development scheme with the British Heart Foundation (BHF). Four more graduates spent equal time with Macmillan and BHF over the past 12 months, which allowed us to nurture their talent and spot leadership potential.

Ready for the future

We are spending more money than ever before to support people living with cancer and increasing our number of employees to do this effectively. As a result, one of our targets for 2017 was to continue to improve the way our organisation works. This included embedding our new directorate structure, which is now in place to help us manage our growth. During the past 12 months, we also embedded our redesigned service delivery teams across the UK and established a dedicated Quality and Improvement team.

We also continue to invest in our infrastructure and processes to ensure as an organisation we are fit for the future. During 2017 we streamlined our telephony systems to provide greater flexibility and enhanced functionality, introduced improved technology to facilitate better quality and more flexible on-line meetings as well as enhancing our information governance capability. This investment is expected to continue in 2018 to further develop

our organisational capabilities, and improve our efficiency and effectiveness. Ultimately, this will allow us to focus on helping people with cancer when they need it most.

Delivering continuous improvement

Over the past year, our aim was to continue to develop the processes that will make sure the quality of our services continuously improves. We achieved this target by developing a number of important methodologies and resources, including our Macmillan Quality Improvement Framework (MQuIF).

MQuIF sets out our overall approach to working with partners so the services we provide together continuously improve their quality. It also features key tools to help our partners achieve this goal. One such tool is the Macmillan Quality Standard (MQS), which measures how well a service's professionals interact with people living with cancer, whether these people feel supported, and whether they're receiving the help and advice they need, and when they need it. In 2017 we tested the MQS, and in 2018 we'll further develop it before launching it online.

During the past year, we also completed the development of our Macmillan Quality Improvement Toolkit. It's an important resource for professionals which comprises common quality improvement techniques they can apply to their services.

To support all of this work and more, we developed a dedicated Quality and Improvement team. It now works with our 51 partnership quality leads (PQL) to provide Macmillan professionals with the support they need to deliver a quality service and continuously improve it. In 2017, our PQLs engaged with almost 3,000 of our partnership services.

Many of our employees go above and beyond their role to help Macmillan be there for more people living with cancer.

Without doubt, one such person is Stacey, who works at our Supporter Care Hub in Shipley, West Yorkshire. On every day of March last year, she wore a different fancy dress costume from the time she left her home to the time she went to bed at night. As a result, her 31 days of fancy dress raised over £4,200.

'I absolutely loved every minute of it, and the support I received was amazing and far exceeded anything I expected. I also had people I didn't know coming up to me and following me on social media to tell me about their own experiences with Macmillan, which made me really proud to be doing something for them.'

'One of the reasons I did the challenge was because my grandad, Brian, died from cancer a few years ago and received Macmillan support. Two of my other grandparents have also been diagnosed with cancer, and my Aunt Gail was diagnosed with terminal cancer a day before my challenge started. Her diagnosis, and the amazing support she went on to receive from Macmillan, really spurred me on to go all out with every costume and raise as much money as possible.'

Stacey, Macmillan employee

High customer satisfaction

It's vital we understand what people think about our services and how we can improve them. So in 2017 we continued to ask people who use our services to complete customer satisfaction surveys. What we learnt was that 84% of people were extremely or very satisfied with their last experience of a Macmillan service. Although this percentage is lower than our rating in 2016, it still remains a very high satisfaction rate. Over the next 12 months we will use all that we've learnt from the surveys to further improve the experiences of everyone we come into contact with. In particular, we'll do this by focusing on our online interactions, which scored lower than our face-to-face/over the phone interactions. Already, this has included us increasing the moderation of our website so we provide more timely feedback and making changes to our digital platforms to improve customer service.

Understanding the needs of people with cancer

Our aim last year was to carry out further research analysis, including evaluating our large-scale programmes, to help determine how we and our partners should work in the future. Some of the ways we did this included evaluating our Improving the Cancer Journey programme in Glasgow, our Macmillan Specialist Care at Home model, and our North Manchester Palliative Care Support Service (see pages 38–41).

In May 2017, we also hosted a one-off event in Manchester called Driving Change Together. Its aim was to share learning and promote the significant benefits of our large-scale programmes to influential people from across the UK who work in partnership to improve the cancer journey. At the event, we showcased over 20 of these projects and the impact they've had on the lives of people living with cancer. They included the three programmes mentioned above and our partnership with Imperial College Healthcare, which helped to develop and successfully establish our hospital-based navigator role.

Employment policies and involvement

At the end of 2017, we employed just over 1,850 members of staff. But it is only through the combined effort of our whole workforce – our employees, supporters, volunteers and professionals – that we can change the lives of so many people living with cancer.

Our reward strategy, annual remuneration review and related policies are set and monitored by our trustees' Remuneration Committee. We are committed to a policy of equal pay and aim to make sure salaries reflect the knowledge, skills, responsibilities and personal competencies required for the satisfactory performance of each job. We use objective job evaluation to determine our job levels and associated salaries. These are also set in the context of the job market, and comparisons are made with similar roles in other charities

and relevant organisations. Pay is reviewed annually with percentage increases consistent across the organisation and at all levels.

The chief executive and Executive Strategy team are subject to the same remuneration policies as all other employees, and have the same level of benefits available to them. You can find the salary ranges of our senior employees in note 12 of our accounts.

More information on our remuneration policy can be found at macmillan.org.uk

We are committed to recruiting and retaining the best people for our roles, based on their merit for the job. Our recruitment of employees also takes into consideration the wide range of people who we aim to support. We are also committed to developing and equipping employees with sufficient training to give them the knowledge and skills to create a fully inclusive environment for anyone who is employed by or volunteers for Macmillan.

We will not unfairly discriminate against people, either directly or indirectly, on the grounds of colour, race, nationality or ethnic or national origins, religion, gender, marital status, sexual orientation, disability, age, spent convictions, or membership/non-membership of a trade union.

We regard ongoing, regular engagement with our employees as a top priority. All new employees and trustees attend Macmillan induction events which our chief executive and other senior members of staff are regularly present at.

We have formal employee consultation via our Macmillan Staff Voice, which comprises over 20 representatives from across the charity. They meet three times a year, and their views are reported at Executive Strategy team meetings and responded to in a timely manner.

Our aims for 2018

- To develop the skills and knowledge of our employees so they can do their jobs to their best of their ability.
- To continue to improve the effectiveness and efficiency of our organisation, so we can meet the holistic needs of even more people living with cancer.
- To provide continuously improving, relevant and high-quality support to people living with cancer, both directly and through services provided with our partners.

How we manage the money you give us

2017 was another fantastic year for Macmillan. Thanks to our supporters' generosity and the huge commitment of our volunteers and employees, we brought in a record total income of £252.7 million, which contributed to an overall surplus for the year of £1.3 million.

As the number of people living with cancer is set to rise to 5.3 million by 2040, the demand for our work continues to grow and is set to increase significantly. The good news is that we are reaching and supporting more people. Thankfully, we also have an incredibly loyal and committed network of supporters who can help us achieve this.

Importantly, we are not dependent on government money and have a strong and diverse portfolio of fundraising streams, having consistently invested in fundraising for many years.

Crucially, we have the volunteers and staff who work so hard to ensure we are fit for purpose and able to continue to offer more support to the people who need our help.

The fundraising section of this report outlines our approach to fundraising and our compliance with the revised fundraising regulations, which we take extremely seriously.

For 2018, we are planning to further increase our charitable expenditure as we develop our future strategy, whilst continuing to develop and invest in our fundraising.

Overall, as trustees, we are positive about the future prospects of Macmillan and its subsidiary trading companies.

How we raised our money

In 2017, our total income grew by 2% to £252.7 million. Our income has always come mostly from fundraising activities, and last year was no different. Overall, 98% of our income, £247.7 million, came from these sources, with the remainder coming from our investments.

Legacy income increased by over 10% to £84.5 million. Legacies remain our biggest source of revenue, making up 34% of our total fundraised income. This is why it makes sense for us to continue our long-term investment behind our legacy strategy.

Our donation income decreased by 7% to £145.1 million, reflecting a challenging year in relation to some of these income streams. We will continue to invest significantly in this area to develop new fundraising products and enhance existing activities.

The World's Biggest Coffee Morning was a fundraising highlight again this year by generating over £27.6 million, a 7% decrease on 2016 which reflects an increasingly competitive marketplace. Our corporate partners continue to play a vital role in the success of the event. We will continue to invest in this, our flagship fundraising event, in 2018.

We have over 400 active volunteer fundraising committees across the UK. They generated a total income of £7 million in 2017, a fantastic sum, although 10% less than 2016.

How we spent our money

Our 'How we spent our money' graphics on pages 10–11 provide a summary of our £192 million charitable expenditure in 2017, which was again a record for Macmillan. Our strategic report on pages 16–61 explains what we did last year and provides the context to this spend.

In 2017, we moved forward new and established programmes of work to provide vital support to people living with cancer.

We continued to develop our base of Macmillan professional posts, which increased by almost 1,200 to 10,300. With over 800 new posts in 2017, we increased the number of Macmillan professional healthcare posts to over 7,700, nearly 12% more than in 2016. This included almost 600 new nurse posts, bringing our total to well over 5,700; and our allied health professional posts increased by over 200 to almost 1,500.

We also continued to invest in improving the practical, emotional and information support to people living with cancer through posts, services in partnership with others and directly delivered services such as our Macmillan grants, Support Line and Welfare Rights helpline.

In 2017, we provided Macmillan grants to just over 36,000 people living with cancer. Our total spend on Macmillan grants of £13.9 million was 3% more than in 2016. We also spent £18.1 million on buildings and £27.0 million on information and support services.

We spent £12.2 million on our Welfare Rights helpline and benefits advice services. Our Welfare Rights team helped to secure over £62.9 million in benefits support for people living with cancer, over £7.5 million more than in 2016. Our separate network of benefits advice schemes also helped to secure over £211.4 million in unclaimed benefits.

You'll find a more detailed analysis of our charitable expenditure in note 10 to the financial statements.

In addition, we are still very much committed to investing in our existing diverse income streams that are important for our future, as well as investing in innovative new fundraising initiatives. Our fundraising costs totalled £64.4 million in 2017, an 11% decrease on 2016, largely as a result of less acquisition campaigns. We will continue to carefully monitor the results of these investments and keep a very close eye on all our costs and fundraising activities to make sure that we are making the most of the money we invest in them.

Reserves

Target range

As a dynamic organisation relying almost entirely on fundraised income, we need to hold adequate reserves so we can react to challenging economic times and unexpected opportunities to support people living with cancer. We also need to make sure we have enough reserves set aside to cover future liabilities, including any future pension commitments. At the same time, we always aim to maximise the money we can spend now to support people living with cancer.

Each year, the trustees review the amount of money we keep in our general reserve fund to ensure that we get this balance right. Our current target level of £20 million for general reserves, with a target range of between £10 million and £30 million, is unchanged since 2012.

Trustees are reviewing our reserves policy with the current intention of changing our approach to focus more closely on holding an appropriate level of liquidity cover rather than free reserves.

Actual reserves

Following a record year for both charitable expenditure and fundraising, we achieved an overall surplus for 2017, which increased our general reserves by £4.3 million. This means our total general reserves position is now £39.7 million, which is above our target range.

We intend to bring this level down during 2018 by using our strong 2017 performance to drive further investment

in our charitable expenditure. However, we will continue to think carefully about how we spend our money, and we will not rush into spending our reserves if our income does better than expected.

Designated funds as at 31 December 2017 totalled £3.1 million, a decrease of £0.1 million on 2016. Restricted funds totalled £22.8 million, a decrease of £2.9 million on 2016.

At 31 December 2017, total reserves stood at £65.6 million, an increase of £1.3 million on 2016.

Our investments

Fixed asset investments

Our fixed asset investments provide funds to back our reserves and grant commitments falling due after more than one year. Since June 2016, our portfolio has been managed by Sarasin and Partners. In 2017, our long-term fund stood at £103.4 million, compared to £94.5 million in 2016. This includes the value of some residual holdings with our previous investment managers, JP Morgan Private Bank. Our medium and short-term funds totalled £60.5 million, which compares to £60.2 million in 2016.

Sarasin and Partners' mandate is to maximise the overall growth of these funds through investment in various different asset classes while ensuring that the risks taken are carefully monitored, managed and controlled.

We are also mindful of the possible need to liquidate some of these assets in the short to medium term and

liquidity therefore plays an important part in the factors we consider in asset allocation. We do not directly invest in tobacco. We have made it clear to Sarasin and Partners that our funds must not be directly or indirectly invested in tobacco stocks.

The performance of Sarasin and Partners is regularly monitored by the trustees against agreed benchmarks. For 2017, their overall performance exceeded benchmark.

In the financial statements, in addition to the above funds, fixed asset investments also include legacy property of £0.7 million and a programme related investment of £0.3 million.

Current asset investments

Additionally, we hold funds to meet ongoing commitments, held either with our bankers or invested in highly-rated money market funds.

The trustees regularly monitor these funds to ensure the security of this money, as well as reviewing the investment performance. The trustees are satisfied that these funds are prudently invested and will continue to monitor their status closely.

Pension schemes

Our defined benefit pension scheme was closed to future accruals on 30 June 2010. We now operate a defined contribution stakeholder pension scheme for eligible employees.

The Financial Reporting Standard 102 (FRS102) valuation of the defined benefit pension scheme at 31 December 2017 showed a surplus

of £9.6 million, an increase of £4.2 million from 2016. In accordance with FRS102, this surplus is not recorded in the financial statements.

A formal triennial valuation was undertaken as at 31 December 2016 and showed a surplus of £0.7 million.

Our grant-making policy

We develop cancer services in partnership with other organisations, and particularly the NHS. This involves our team of managers working with partner organisations in their locality to develop the requirements for and negotiate the funding of a service. The standard arrangement is that we fund a service for an agreed period and then a partner organisation picks up the ongoing funding, recruits the professionals to deliver the service and monitors the ongoing delivery of the service.

At 31 December 2017, we had unpaid but committed charitable grants of £204.8 million, about a third of which are due to be paid out in 2018.

We also give Macmillan grants to individuals who demonstrate financial hardship, to help pay costs caused by or related to their cancer, something we have done ever since we were founded more than 100 years ago. These grants offer people living with cancer a speedy financial lifeline when serious financial problems connected with cancer arise. Typically, these grants are for around £400 and help pay for a wide variety of things, for essential items like a new washing machine, for services or unavoidable expenses, such as fuel bills or travel costs or to even pay for a short break to aid recovery.

Principal risks and uncertainties

Risks and uncertainties

At Macmillan, we define risk as anything that can adversely affect our ability to achieve our objectives, maintain our reputation or meet our regulatory standards. Risk is inherent in our operations and the decisions we make. We seek to understand and harness risk in the pursuit of our purpose, operating within an acceptable level of risk taking, as we know we must innovate and take risks in order to reach and improve the lives of people with cancer. Our approach to risk management follows the recommendations of the Charity Governance Code.

Risk management roles and responsibilities

All staff are required to be aware of the risks they manage and mitigate these intelligently for the benefit of our stakeholders. Our risk management process is supported by our governance structure. Whilst our trustees are responsible for ensuring there is effective risk management and an appropriate internal control environment, executive management are responsible for the day-to-day operation of our risk processes. They are supported by a Compliance & Risk Board, Portfolio Management Board, directorate leadership teams and operational risk management forums. The Finance & Audit Committee reviews the principal risks and provides oversight of the risk management process, so that it can report on the effectiveness of the risk management process to our Board of trustees.

Risk management plans

Twice yearly, as part of our planning and review cycle, risks are formally assessed 'bottom-up' by directorates and operational risk managers and 'top-down' by the Executive Strategy team. Principal risks are scored by how likely they are to happen and the impact they would have. Risk owners are identified, with details of controls already in place and further actions identified discussed, shared and monitored. A consolidated risk profile and action plan, the Corporate Risk Register, is presented to the trustees for approval. Regular ongoing reviews of the risk management plans inform our strategic planning, operational decision making and feed into our assurance framework, including the annual Internal Audit Plan.

Acceptable level of risk

Decision making involves a consideration of whether the level of risk proposed is acceptable in regard to the benefit expected, or if additional actions are required to reduce it. For our principal risks, formal risk appetites are codified in our policies and procedures to provide direction and boundaries for consistent, risk aware decisions. These appetites can be different for different situations. For instance, we may be willing to be more risk seeking in the pursuit of new initiatives, but would have a minimal risk tolerance for compliance issues. As the environment in which we operate, stakeholders' expectations and our priorities change, we seek to learn and adapt our risk appetite as required. We recognise that individual incidents may not always be preventable, but we are determined to reduce the impact they may have and the likelihood of incidents occurring to an acceptable level.

Risk category model

We identify and categorise our principal risks into three broad areas: strategic, operational and regulatory, and financial. As well as identifying things that could go wrong, we look for opportunities we might miss for further growth and a sustainable future, as missing these could also stop us reaching and improving the lives of people with cancer. Each area of risk is described in more detail on the next page, along with our approach to managing them.

Principal risks and mitigations by category

Our risk profile

There continues to be significant change and uncertainty in the external environment in which we operate; major changes to NHS and social care structures, cuts to public spending, an uncertain economic outlook and a competitive charitable sector. Operationally, as we grow and change we have to find new more efficient ways of delivering our services, constantly improving the way we work with partner organisations, our volunteers and staff and enhancing our technological support. New forms of regulation require investment and changes to policies and procedures. Financially, we are reviewing the level of reserves we need to safely sustain our operations, whilst trying to deploy as much as possible for people living with cancer. This against a background of continuing pressure on donors' finances. During the year the Board remained alert to governance issues throughout the voluntary sector, and continued with our rigorous programmes of reviewing and assuring our internal procedures.

Strategic risk: related to future activities and growth due to erroneous planning assumptions, ineffective delivery of our plans or changes to the external environment.

- We work with stakeholders, key decision makers and influencers in government, local authorities and the NHS to understand their needs, develop policy positions and demonstrate the benefit we can provide.
- Annually a defined strategic planning process analyses the external and internal environment, develops objectives, initiatives and plans for delivery. It is supported by a programme management function and a communication programme to inform staff and volunteers of our strategy and progress.
- Delivery is managed through our planning and performance management processes.
- We invest in our brand to promote what we can do to help people living with cancer and engage with existing and new supporters.
- We look to protect our future by maintaining a diverse mix of income streams, assessing the need for local and national improvement in cancer services, now and in the future, engaging with current partners to deliver services with us and developing new relationships, and constantly innovating to stay competitive.

Operational and regulatory risk: caused by failures in operational processes or meeting regulatory standards, including areas such as fundraising, partnerships, talent, safeguarding, health and safety, security, data governance, and business continuity.

- We have policies, procedures and governance structures to monitor and mitigate operational risks and major incidents, including understanding our regulatory requirements.
- We provide learning and development opportunities, benchmark our benefits and engage with staff through forums and surveys.
- Specialist compliance training is delivered to staff in key areas to build their skills and ensure awareness of compliance requirements.
- Processes are in place to prevent and detect fraud, including annual audits designed to test the effectiveness of key financial controls.
- Contingency planning, incident management and crisis management arrangements are in place.

Financial risk: that we have insufficient funds to meet our charitable objectives, fail to spend our money well or report accurately.

- We monitor our financial performance, liquidity and solvency through a system of financial reporting that compares actual results against the phased budget on a monthly basis. In addition, we prepare longer-term financial forecasts aligned to our strategic plans, incorporating scenarios, to confirm our longer term solvency.
- Financial instrument borrowings are not used and our investment and reserves policies are set, with input from external advisers, to ensure we manage our risks and ensure we have adequate liquidity and solvency to meet liabilities as they arise.
- In our investment activities, foreign exchange forward and options contracts are used to hedge the majority of our exposure resulting from any risk of changes in foreign currency rates. All other assets and liabilities are held in sterling.
- Credit risk on amounts owed in respect of incoming resources is low.
- Investment policies, delegation of authorities, procurement and expenses policy are in place.
- We have defined accounting policies and financial controls for accurate and timely reporting.

Additional pervasive feedback and assurance controls:

- We have complaints and grievance procedures and an anonymous whistleblowing hotline to enable appropriate reporting and consideration of internal and external stakeholders' concerns.
- An annual audit programme tests the existence and effectiveness of key controls, supplemented by external reviews.

Internal control framework

We recognise the importance of maintaining a strong internal control framework, supported by risk management activities and an internal audit function, in response to the growth of our activities, increased regulation and to meet the high expectations our stakeholders have of us and all charities.

Governance

Structure and management

Macmillan Cancer Support is a company limited by guarantee and a registered charity. Macmillan is governed by its Articles of Association, which sets out the Charity's powers and authorities.

The objects of the Charity included in the Articles of Association are:

- a) to provide support, assistance and information directly or indirectly to people affected by cancer,
- b) to further build cancer awareness, education and research, and
- c) to promote and influence effective care, involvement and support for people affected by cancer.

Subject to certain matters reserved to members, Macmillan's Board of Trustees holds all of the Charity's powers and authorities. The Board is ultimately responsible for the overall control and strategic direction of the Charity and for the protection of its assets. Day-to-day management is delegated to the Chief Executive, Lynda Thomas, and the Executive Directors who comprise the Executive Strategy team (see page 66).

Board of Trustees

The trustees, who are also directors under company law, are elected by the members of the Charity at the Annual General Meeting and, subject to re-election or early retirement, serve for a three-year term. The Board has the power to fill casual vacancies by appointment until the next Annual General Meeting. The Board's Nominations Committee reviews the structure, size, composition (including the skills, knowledge and experience) of the Board and considers succession planning. The committee then makes recommendations to the Board. The trustees all give their time to Macmillan on a voluntary basis and receive no remuneration. Out-of-pocket expenses may be reimbursed.

When recruiting new trustees, the Board aims to attract a diverse range of candidates with the skills the Charity needs. It values the benefits of having members with different backgrounds, expertise and experience. Ultimately, though, all Board appointments are based on merit, in the context of ensuring that we have an appropriate balance of skills and experience.

All new trustees undertake an induction programme, which includes visits to Macmillan services, coverage of the Charity's aims and how they are being fulfilled, the role and duties of the trustees, company and charity law and governance, and financial and risk management. Trustees meet with the Chief Executive, further members of the Executive Strategy team and other staff. Further training is arranged as required for individual trustees or for the Board as a whole. Training sessions organised cover a variety of issues, including for example data protection, Charity Governance Code and safeguarding.

The Board regularly undertakes a review of its effectiveness to identify any improvements to the Board's governance or ways of working, or any training needs. A Board review was last undertaken in 2015, and a further in-depth review is planned for 2018. The performance of individual trustees is assessed each year.

The Board welcomed the introduction of the new Charity Governance Code in 2017, and complies with its principles. The detailed recommendations in the Code will be used to inform the Board's effectiveness review and we will draw up an action plan to address any identified gaps.

The trustees who served during the year and up to the date of this report are as follows:

Dr Jag Ahluwalia (appointed 27 April 2017)
Iain Cornish (appointed 1 January 2017 – Treasurer and Chair of Finance and Audit Committee)
Irene Crosswell (died 29 April 2017 – Chair of Remuneration Committee)
Jane Cummings
Andrew Duff
Professor Timothy Eisen
Kenneth Lacey (resigned 20 March 2017)
Sue Langley OBE (appointed 19 July 2017 – Chair of Remuneration Committee from October 2017)
Feilim Mackle (Chair of Fundraising and Marketing Committee)
Richard Murley (appointed 27 April 2017 – Chair of Finance and Audit Charitable Expenditure Sub-Group from February 2018)
Dame Una O'Brien (appointed 2 January 2018)
Julia Palca (Macmillan Chairman and Chair of Nominations Committee)
Toby Strauss (Chair of Investment Committee)
Sir Hugh Taylor KCB (resigned 19 July 2017)
Suki Thompson

The current term of office of Timothy Eisen ends at the forthcoming Annual General Meeting, but in line with our policy on trustee terms, he offers himself for re-election for a further three-year term. In accordance with the Charity's Articles of Association, the Board has appointed two new trustees since the last Annual General Meeting: Sue Langley, with effect from 19 July 2017, and Una O'Brien, with effect from 2 January 2018. These appointments will be put to the forthcoming Annual General Meeting for election.

During the year and up to the date of approval of the Trustees' report, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

Board committees

The Board has delegated specific responsibilities to a number of committees, each of which has detailed terms of reference and reports to the Board.

Finance and Audit: Monitors the financial performance of the Charity, financial reporting, planning and budgeting processes, compliance, corporate risk and our internal and external audit arrangements.

Finance and Audit Charitable Expenditure Sub-Group: This new group was established in February 2018 to review charitable expenditure and activities against strategic corporate priorities agreed by the Board.

Fundraising and Marketing: Oversees the Charity's fundraising strategies and ensures that the Charity follows high standards of fundraising practice.

Investment Committee: Monitors the performance of Macmillan's investments and reviews our investment strategy.

Nominations Committee: Considers the membership of the Board and recommends potential new trustees for election. This committee also keeps under review succession planning in respect of Honorary Officers and the Chief Executive, and oversees Board effectiveness reviews and action plans resulting from such reviews.

Remuneration Committee: Determines and recommends to the Board the overall policy for the remuneration of the Charity's employees.

In addition to receiving regular reports from the Chief Executive and the Executive Strategy team, the Board is advised on clinical matters by the Clinical Advisory Board, and is informed by the views of the Volunteer Forum, which consists of both national and regional groups, and whose Chairman reports to the Chairman of Macmillan's Board.

The Board and its committees meet regularly during the year, including at an annual away day, which helps trustees and Executive Directors to focus in more depth on the Charity's strategic direction.

Number of meetings held in 2017

Board of Trustees	6
Finance and Audit Committee	4
Fundraising and Marketing Committee	4
Investment Committee	2
Remuneration Committee	2
Nominations Committee	1

Membership

The members of Macmillan Cancer Support are entitled to attend its Annual General Meeting and vote on important decisions affecting the Charity. Macmillan's volunteers, employees, professionals and committee members are entitled to become members. Membership is also open to anyone who, in the opinion of the Board, deserves to be a member.

Members guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of the organisation winding up. The total number of such guarantees on 31 December 2017 was 6,177 (2016: 6,352).

Statement of responsibilities of the trustees

The trustees (who are also directors of Macmillan Cancer Support for the purposes of company law) are responsible for preparing the trustees' annual report (including the strategic report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law (United Kingdom 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 the affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The trustees are responsible for keeping 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditors are unaware; and
- the trustees have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

Macmillan has its United Kingdom office in London, and national offices in Scotland (Edinburgh), Wales (Pencoed) and Northern Ireland (Belfast).

Legal and administrative details

As at 31 December 2017

Status

The organisation is a charitable company limited by guarantee, incorporated on 30 June 1989 and registered as a charity in England and Wales on 21 June 1989 and in Scotland on 1 October 2008. Within this document, the Company is variously referred to as Macmillan, Macmillan Cancer Support and the Charity.

Governing document

The organisation was established under a Memorandum of Association and is governed under its Articles of Association (last amended 23 July 2014), which establish the objects and powers of the organisation.

Company number 2400969

Charity number 261017

Scottish charity number SC039907

Registered office and operational address

89 Albert Embankment, London SE1 7UQ

Patron

HRH The Prince of Wales

President

The Countess of Halifax

Deputy President

Jamie Dundas

Chairman

Julia Palca

Treasurer

Iain Cornish

Company Secretary

Victoria Benson

Chief Executive

Lynda Thomas

Executive Strategy team

Cancer Support Operations

John Pearson

Finance, Legal and Audit

Melanie Armstrong (to 25 October 2017)

Fundraising, Marketing and Communications

Richard Taylor

People

Kathy Taylor

Policy and Impact

Fran Woodard

Strategy and Performance

Simon Phillips

Technology

Declan Hunt

Bankers

Royal Bank of Scotland,
280 Bishopsgate, London EC2M 4RB

Solicitors

Withers LLP, 16 Old Bailey,
London EC4M 7EG

Investment Managers

Sarasin & Partners LLP, Juxon House
100 St Paul's Churchyard, London EC4M 8BU

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place, London WC2N 6RH

Macmillan Defined Benefit Pension

Scheme Actuary

Declan Keohane, First Actuarial LLP,
Network House, Basing View,
Basingstoke, Hampshire RG21 4HG

Further information

Ethical policy

The trustees have a duty under charity law to maximise Macmillan's income and thereby maximise expenditure on our charitable objectives. However, it's essential we do not allow any third party to bring our name into disrepute. We have an ethics policy which makes sure ethical considerations are taken into account when considering opportunities, for example, when deciding whether to accept or refuse a donation, participate in partnerships with other organisations, or make an investment.

Environmental policy

We recognise we have a responsibility to minimise our impact on the planet and use resources wisely. To help Macmillan be as green as possible, we have a staff Eco committee. It works hard throughout the year to increase environmental awareness across the Charity and make connections between health and the environment.

So far, environmental initiatives implemented at Macmillan include the recycling of plastics, glass, cans and paper in our offices; offering staff access to the cycle-to-work scheme; encouraging video conferencing instead of travelling, when appropriate; and facilitating free bike training sessions for staff.

Subsidiaries

Macmillan Cancer Support has eight subsidiary companies:

Macmillan Cancer Support Sales Limited, which sells Christmas cards and other items, and Macmillan Cancer Support Trading Limited, which carries out fundraising trading activities continued to operate during 2017, and all of their profits were transferred to the Charity.

Macmillan Cancer Support Enterprises Limited, which provides design and construction services to Macmillan Cancer Support, continued to operate, but it does not make a profit or loss, as all of its costs are invoiced to the Charity. Macmillan Cancer Information Lottery Limited, Macmillan Financial Grants Lottery Limited, Macmillan Healthcare Lottery Limited and Macmillan Influencing Cancer Care Lottery Limited, which all operate society lotteries, continued to operate during 2017. All of their profits were transferred to the Charity. Cancerbackup was dormant throughout 2017. Note 7 to the financial statements summarises the results of the subsidiaries, which performed satisfactorily in 2017.

Related parties

Details of other related parties and connected organisations can be found in note 26 to the financial statements.

Basis of preparation

The trustees' report and the financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities 2015' and Financial Reporting Standard 102.

Independent auditors

PricewaterhouseCoopers LLP is the Group and Charity's auditors. A resolution will be proposed at Macmillan's Annual General Meeting that PricewaterhouseCoopers LLP is reappointed as auditors for the ensuing year.

The trustees' report, including the strategic report on pages 16–61, was approved by the board of trustees and authorised for issue on 24 April 2018.



Julia Palca, Chairman

Independent auditors' report

To the members and trustees of Macmillan Cancer Support Report on the audit of the financial statements

Opinion

In our opinion, Macmillan Cancer Support's Group financial statements and parent Charitable Company financial statements ("the financial statements"):

- give a true and fair view of the state of the Group's and of the parent Charitable Company's affairs as at 31 December 2017 and of the Group's incoming resources and application of resources, including its income and expenditure, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the 'Annual Report'), which comprise: the Group and parent Charitable Company balance sheets as at 31 December 2017; the consolidated statement of financial activities (including an income and expenditure account) for the year then ended; the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the Financial Reporting Council's (FRC's) Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and parent Charitable Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Trustees' Annual Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Group and parent Charitable Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 65, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and parent Charitable Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group and parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a

high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Charity's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate and proper accounting records have not been kept by the parent Charitable Company; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent Charitable Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 April 2018

Consolidated statement of financial activities (including an income and expenditure account)

For the year ended 31 December 2017

	Note	Unrestricted £'000	Restricted £'000	2017 Total £'000	Unrestricted £'000	Restricted £'000	2016 Total £'000
Income							
Legacies, donations and grants:							
Legacy income	2	76,014	8,524	84,538	62,238	14,516	76,754
Donation income	3	127,557	17,498	145,055	138,326	18,142	156,468
Grant income	4	35	796	831	-	324	324
Total legacies, donations and grants		203,606	26,818	230,424	200,564	32,982	233,546
Income from trading activities	5	15,601	1,650	17,251	10,089	1,289	11,378
Total fundraised income		219,207	28,468	247,675	210,653	34,271	244,924
Investment income	6	5,017	-	5,017	2,517	-	2,517
Total income		224,224	28,468	252,692	213,170	34,271	247,441
Expenditure							
Expenditure on raising funds	9	64,050	379	64,429	72,042	309	72,351
Expenditure on charitable activities	10	161,064	30,929	191,993	139,707	33,533	173,240
Total expenditure		225,114	31,308	256,422	211,749	33,842	245,591
Net (expenditure)/income before gain on investments		(890)	(2,840)	(3,730)	1,421	429	1,850
Net gain on fixed and current asset investments		5,014	-	5,014	4,392	-	4,392
Net income/(expenditure)		4,124	(2,840)	1,284	5,813	429	6,242
Transfers between funds	25	-	-	-	-	-	-
Net movement in funds		4,124	(2,840)	1,284	5,813	429	6,242
Reconciliation of funds							
Total funds brought forward		38,695	25,607	64,302	32,882	25,178	58,060
Total funds carried forward	25	42,819	22,767	65,586	38,695	25,607	64,302

No corporation tax was payable by the Group or Charity for the year ended 31 December 2017 (2016: £nil).

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 25 to the financial statements. The notes on pages 73–91 form part of these financial statements.

Balance sheets

As at 31 December 2017

Company number 2400969

Note	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Fixed assets				
Tangible assets	13	7,944	7,664	7,664
Investments	14	164,941	155,887	155,887
Total fixed assets		172,885	163,551	163,551
Current assets				
Stocks and property awaiting sale	18	68	58	-
Debtors	19	65,971	63,318	68,141
Investments	15	39,453	35,389	39,453
Cash at bank and in hand	16	5,395	3,386	1,129
Total current assets		110,887	102,151	108,723
Liabilities				
Creditors: amounts falling due within one year				
Bank overdraft	16	-	-	(297)
Grants committed not yet paid	20	(71,579)	(62,943)	(62,943)
Other creditors and deferred income	21	(12,941)	(12,543)	(10,777)
Net current assets		26,367	26,665	26,665
Total assets less current liabilities		199,252	190,216	199,252
Creditors: amounts falling due after more than one year				
Grants committed not yet paid	20	(133,199)	(125,429)	(133,199)
Provisions for liabilities	23	(467)	(485)	(485)
Net assets	24	65,586	64,302	64,302
The funds of the charity				
Restricted income funds				
Unrestricted funds:				
Investment revaluation reserve		6,115	3,957	6,115
Other general funds		33,587	31,475	33,587
Total general funds		39,702	35,432	39,702
Designated funds		3,117	3,263	3,263
Total unrestricted funds		42,819	38,695	38,695
Total funds of the charity	25	65,586	64,302	64,302

The net surplus for the year of the parent Charity was £1,284,000 (2016: £7,515,000).

The financial statements, including the notes on pages 73–91, were approved by the Board of Trustees and authorised for issue on 24 April 2018, and signed on its behalf by;

Julia Palca, Chairman

Iain Cornish, Treasurer

Consolidated cash flow statement

For the year ended 31 December 2017

	Note(s)	2017 £'000	2016 £'000
Net income for the year (as per the statement of financial activities)		1,284	6,242
Adjustments to exclude non-cash items and investment income			
Depreciation	13	451	482
Profit on disposal of tangible assets	11	-	-
Increase in grant commitments, other creditors and deferred income	20, 21	16,804	7,379
(Decrease)/increase in provisions	23	(18)	13
(Increase)/decrease in stocks and property awaiting sale	18	(10)	1,185
Increase in debtors	19	(2,653)	(10,055)
Gains on fixed and current asset investments		(5,014)	(4,392)
Investment income	6	(5,017)	(2,517)
Net cash provided by/(used in) operating activities		5,827	(1,663)
Cash flows from investing activities			
Investment income	6	5,017	2,517
Purchase of tangible assets	13	(731)	(2,534)
Proceeds from sale of tangible assets		-	-
Payments to acquire fixed asset investments	14	(4,276)	(2,578)
Proceeds from sales of fixed asset investments	14	-	452
Transfer between fixed asset investments and current asset investments	14	-	(37,500)
Payments into current asset investments		(52,814)	(46,750)
Withdrawals from current asset investments		48,986	86,537
Net cash (used in)/provided by investing activities		(3,818)	144
Change in cash and cash equivalents in the year		2,009	(1,519)
Cash and cash equivalents at the beginning of the year		3,386	4,905
Cash and cash equivalents at the end of the year	16	5,395	3,386

Notes to the financial statements

For the year ended 31 December 2017

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include the revaluation of investments to fair value, and in accordance with applicable accounting standards in the United Kingdom, the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities 2015' and Financial Reporting Standard (FRS) 102, together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

These financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary companies Macmillan Cancer Support Sales Limited, Macmillan Cancer Support Trading Limited, Macmillan Cancer Support Enterprises Limited, Macmillan Healthcare Lottery Limited, Macmillan Financial Grants Lottery Limited, Macmillan Cancer Information Lottery Limited and Macmillan Influencing Cancer Care Lottery Limited on a line-by-line basis. Uniform accounting policies are adopted across the Group and inter company transactions are eliminated on consolidation. Cancerbackup was dormant in 2016 and 2017. Macmillan Healthcare Lottery Limited commenced trading on 4 April 2016. Macmillan Financial Grants Lottery Limited, Macmillan Cancer Information Lottery Limited and Macmillan Influencing Cancer Care Lottery Limited commenced trading on 1 July 2016. The Charity also has an investment in an associate which is a programme related investment, see note 14.

A separate Statement of Financial Activities for the Charity itself is not presented as allowed by Section 408 of the Companies Act 2006 and paragraph 5.1 of the SORP 2015. The income of the parent Charity was £245,688,000 (2016: £243,293,000)

and the expenditure was £249,418,000 (2016: £240,170,000). The net surplus of the Charity after recognised gains of £5,014,000 (2016: £4,392,000) was £1,284,000 (2016: £7,515,000). The Charity has taken advantage of the exemption from preparing a Cash Flow Statement under FRS 102 Section 1.12(b). The cash flows of the Charity are included in the Consolidated cash flow statement.

The accounting policies have been consistently applied across the Group from year to year in accordance with FRS 102.

Accounting estimates and judgements

In the preparation of the financial statements, accounting estimates and judgements are made. The most significant areas of estimation and judgement that affect items in the financial statements are to do with estimating the accrued legacy income for the year, see note 1, 'Legacy income' and notes 2 and 19 for more information, and the discount applied to grant commitments not yet paid falling due after more than one year, to adjust the valuation to its present value, see note 1, 'Grant commitments' and notes 17 and 20. Other areas of estimation and judgement are outlined in the accounting policies stated below.

Going concern

The financial statements have been prepared on a going concern basis. There are no material uncertainties that affect this.

Taxation

As a registered charity, the Charity benefits from rates relief, and is exempt from direct tax on its charitable activities but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates. The subsidiary undertakings do not generally pay direct tax because their policy is to Gift Aid their taxable profits to the Charity.

Legacy income

Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted, notification has been received and where they can be valued. Residuary legacies with a life interest are only valued where legal title has passed to the Charity.

Donation income

General donations, donations from fundraising events, corporate and philanthropy income and direct marketing income are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Income received in advance is deferred where appropriate. Donation income from local fundraising committees is included when received and notified by the committee. Gift Aid receivable is included when claimable. Donated services and facilities are valued and included as income and expenditure, at the price that Macmillan estimates it would pay in the open market for an equivalent service or facility. Donated goods for resale are recognised when they are sold. A valuation of volunteer time given to the Charity is not included in these financial statements.

Grant income

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless the grant relates to a specific future period, in which case it is deferred.

Income from trading activities

Income from trading activities is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it relates to a specific future period, in which case it is deferred. Income received in respect of raffles and lotteries is recognised when the draw is made.

1. Accounting policies (continued)

Income from trading activities (continued)

Income received in advance for future raffle and lottery draws is deferred until the draw takes place. Trading income from local fundraising committees is included when received and notified by the committee.

Resources expended

Resources expended are recognised on an accruals basis in the period in which they are incurred. Expenditure on raising funds includes the costs incurred in raising legacy income, donation income, grant income and income from trading activities, including apportioned support costs. Expenditure on charitable activities comprises the costs incurred on charitable activities including apportioned support costs.

Allocation of expenditure

Resources expended are allocated to the particular activity to which the cost relates. Where expenditure contributes to more than one area of activity, the costs are allocated to each of the activities based on estimated staff time.

Governance costs

Governance costs are the costs associated with constitutional and statutory requirements and with the strategic management of the Charity's activities.

Redundancy and termination payments

Redundancy and termination payments are recognised when there is a demonstrable commitment on an individual or group basis that cannot be realistically withdrawn.

Tangible assets

Tangible assets are stated at cost, net of cumulative depreciation and provision for impairment. Depreciation is charged in equal instalments over the life of each tangible asset at the following rates:

Furniture and equipment.....	20%
Computer equipment and software	33.33%
Motor vehicles	20%
Leasehold property and leasehold property improvements	
.....	Over the life of the lease

Items of equipment, motor vehicles, and property are capitalised where the purchase price exceeds £10,000. Leasehold improvements are capitalised where the cost exceeds £100,000. Software development including purchases is capitalised where the costs exceed £250,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

An annual impairment review is undertaken and adjustments are made where the adjustment is material.

Assets under construction are not depreciated and comprise expenditure on the purchase, creation or enhancement of tangible assets not brought into use at the Balance Sheet date. Transfers are made from assets under construction to the relevant category of tangible asset when the asset is brought into use.

Investments

Listed investments are included in the Balance Sheet at fair value which is their closing bid price on the current or previous trading day.

Unlisted investments are included in the Balance Sheet at their fair value. For unlisted funds this is based on the Charity's share of the net asset value of the investments using the latest available performance data. Investments in subsidiaries are recorded at cost in the Charity's Balance Sheet.

Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the Balance Sheet date are included in the Statement of Financial Activities for the relevant underlying funds. All investment income is treated as unrestricted.

Investment properties include properties that arise from legacies or lifetime gifts from donors where legal title has passed to the Charity. Investment properties are included in the Balance Sheet at fair value. Investment property land is valued by an independent valuer who holds a relevant professional qualification

and has relevant experience of both the class and location of the asset. Investment properties that relate to properties with a life interest where legal title has passed to the Charity are valued by management based on the current market value of similar properties less an adjustment to reflect the life interest. Properties with a life interest cannot be sold until the life interest held by a third party has ended.

Current asset investments have a maturity date or expected disposal date of less than one year and are not held for long-term investment purposes.

Programme related social investments

Programme related social investments are held at cost adjusted for impairment losses. Where the Charity has a significant interest in a programme related investment, it will be treated as either a joint venture or an associate, dependent on the level of control exerted by the Charity. Joint ventures and associates are included at cost, subsequently adjusted for the Charity's share in the associate's net assets under the equity method. The annual movement in the value of programme related investments is shown as a separate category in the investments note. Impairments in the value of programme related investments are charged to charitable expenditure. Gains in the value of programme related investments are credited to investment income.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but not held for investment purposes.

Financial instruments

The Charity has applied the provisions of FRS 102, Section 11, 'Basic Financial Instruments' and Section 12, 'Other Financial Instruments Issues'. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. The Charity initially recognises a financial asset or a financial liability at

1. Accounting policies (continued)

transaction price, for debtors and other creditors this is the settlement amount. Grant commitments over one year are discounted to reflect present value.

Stocks and property awaiting sale

Goods purchased for resale are valued at the lower of cost and net realisable value. Gifted properties awaiting sale are valued at their fair value, which is their expected sale price, less costs of sale. Properties awaiting sale are valued by an independent valuer who holds a relevant professional qualification and has relevant experience of both the class and location of the asset.

Debtors and creditors

Trade debtors and other receivables are recognised at their transaction price less any allowance for doubtful debts. Liabilities are recognised when, as a result of past events, there is a probable future outflow of resources and the amount can be estimated reliably. Trade creditors and other payables are included at their nominal value.

Grant commitments

Grants are generally made to organisations to meet employment, travelling and training costs of Macmillan post holders, to cover costs associated with buildings development and to develop carer advice, benefits advice, information projects, inclusion projects and research projects. The full value of the charitable grant is recognised in the year in which the commitment is made and shown as a long or short-term creditor as appropriate. Commitments are recognised on the date the Charity formally notifies the recipient of the award.

Macmillan grants are grants to individuals which are made to cover a wide range of practical needs and are recognised in the year in which they are paid.

Releases of grant commitments

There are occasions when it becomes necessary to withdraw and redeploy a grant which has been approved in a prior year. Where redeployment occurs the intention of the original grant is observed where possible. If it cannot be spent in the current year, the funds revert to the original unrestricted or restricted reserve.

Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Leases

The Charity enters into operating leases as detailed in note 27. Expenditure on operating leases is charged in the Statement of Financial Activities as incurred.

Fund accounting

Restricted, designated and general funds are separately disclosed, as set out in note 25. The different funds held are defined as follows:

Restricted funds

These are subject to specific restrictions imposed by the donor or by the nature of the appeal.

Designated funds

These are set aside at the discretion of the trustees for specific purposes. They would otherwise form part of the general funds.

General funds

These are available to spend at the discretion of the trustees in furtherance of the charitable objectives of the Charity.

Any transfers between funds and any allocations to and from designated funds are approved by trustees.

Pensions

During the year the Charity operated a contributory, defined benefit pension scheme for employees. The scheme closed to the accrual of future benefits on 30 June 2010. The scheme is accounted for in accordance with FRS 102.

In accordance with FRS 102, following the closure of the scheme during 2010, the resultant scheme surplus is not recognised on the Charity's Balance Sheet. Any future scheme deficit would be shown on the Charity's Balance Sheet.

The assets of the scheme are held separately from those of the Charity in an independently administered fund. The Charity also contributes to a separate stakeholder pension scheme provided by Legal & General. Contributions to the Charity's stakeholder pension scheme are charged to the Statement of Financial Activities in the year in which they become payable.

Macmillan contributes to two further defined benefit pension schemes, the National Health Service Pension Scheme and the Teachers' Pension Scheme. Both schemes are unfunded. It is not possible for Macmillan to identify its share of the liabilities for the respective schemes and therefore contributions are recognised in the Statement of Financial Activities in the year in which they become payable.

2. Legacy income

	Unrestricted £'000	Restricted £'000	2017 Total £'000	2016 Total £'000
	76,014	8,524	84,538	76,754

3. Donation income

	Unrestricted £'000	Restricted £'000	2017 Total £'000	2016 Total £'000 restated
Local fundraising committees	1,680	2,826	4,506	5,465
Fundraising events	58,151	1,095	59,246	61,828
Corporate income	14,635	7,583	22,218	24,269
Philanthropy	2,124	4,626	6,750	5,299
General donations	12,371	1,358	13,729	14,410
Direct marketing	36,728	10	36,738	43,467
Donated services and facilities	1,868	-	1,868	1,730
	127,557	17,498	145,055	156,468

Donated services and facilities comprises contributions totalling £1,585,000 (2016: £1,405,000) to our fuel management programme, £87,000 (2016: £160,000) of advertising space and £196,000 in respect of professional advice (2016: £165,000 including training). The Charity also benefits from the services of unpaid volunteers.

The 2016 figures have been restated to separate out Philanthropy income from General donations income.

4. Grant income

	Unrestricted £'000	Restricted £'000	2017 Total £'000	2016 Total All restricted £'000
Scottish Government – Income Maximisation	-	412	412	324
Department of Work and Pensions – Access to Work scheme	35	-	35	-
Fidelity UK Foundation – Technology infrastructure development	-	310	310	-
Sussex Cancer Fund – Macmillan Horizon Centre, Brighton	-	74	74	-
	35	796	831	324

5. Income from trading activities

	Unrestricted £'000	Restricted £'000	2017 Total £'000	2016 Total £'000
Lottery and raffle	11,361	-	11,361	5,938
Local fundraising committees sales	958	1,555	2,513	2,321
Fundraising events	254	95	349	519
Corporate and other trading income	2,114	-	2,114	1,868
Sales activities undertaken by Macmillan Cancer Support Sales Limited	914	-	914	732
	15,601	1,650	17,251	11,378

6. Investment income

	2017 Unrestricted £'000	2016 Unrestricted £'000
Income from fixed asset investments	4,920	2,336
Income from cash and current asset investments	97	181
	5,017	2,517

7. Subsidiary undertakings

As at 31 December 2017, the Charity had eight wholly owned subsidiaries which are incorporated in the UK. All of their taxable profits each year are transferred to the Charity. The specific activity or status of each company is:

	Company registration number	Principal activity
Macmillan Cancer Support Sales Limited	934859	Sale of Christmas cards and other items
Macmillan Cancer Support Trading Limited	2779446	Fundraising trading activities
Macmillan Cancer Support Enterprises Limited	3123290	Building construction
Cancerbackup	2803321	Dormant
Macmillan Healthcare Lottery Limited	9771479	Seasonal raffle
Macmillan Cancer Information Lottery Limited	9771409	Weekly lottery
Macmillan Financial Grants Lottery Limited	9494065	Weekly lottery
Macmillan Influencing Cancer Care Lottery Limited	9771351	Weekly lottery

A summary of the trading results and Balance Sheets of the non dormant companies is shown below. The companies have the same year end date as the Charity.

	Macmillan Cancer Support Enterprises Limited £'000	Macmillan Cancer Support Sales Limited £'000	Macmillan Cancer Support Trading Limited £'000	Macmillan Healthcare Lottery Limited £'000	Macmillan Cancer Information Lottery Limited £'000	Macmillan Financial Grants Lottery Limited £'000	Macmillan Influencing Cancer Care Lottery Limited £'000	2017 Total £'000	2016 Total £'000
Profit and loss for year ended 31 December 2017									
Turnover	301	914	2,114	3,470	3,301	2,283	2,307	14,690	10,872
Cost of sales	(286)	(143)	(392)	(1,138)	(1,353)	(1,078)	(982)	(5,372)	(5,858)
Gross profit	15	771	1,722	2,332	1,948	1,205	1,325	9,318	5,014
Operating costs	(4)	(189)	(5)	(528)	(6)	(19)	(6)	(757)	(983)
Interest receivable	-	-	-	-	-	-	-	-	2
Net profit	11	582	1,717	1,804	1,942	1,186	1,319	8,561	4,033
Costs recharged by and interest paid to the Charity	(11)	(264)	(512)	(198)	(75)	(60)	(60)	(1,180)	(922)
Profit on ordinary activities before and after taxation	-	318	1,205	1,606	1,867	1,126	1,259	7,381	3,111
Amount donated to the Charity under Gift Aid	-	(318)	(1,205)	(1,606)	(1,867)	(1,126)	(1,259)	(7,381)	(3,111)
Profit on ordinary activities before and after taxation	-	-	-	-	-	-	-	-	-
Balance sheet as at 31 December 2017									
Current assets	194	1,020	1,908	1,492	462	2,131	757	7,964	6,897
Creditors: amounts falling due within one year	(194)	(1,020)	(1,908)	(1,492)	(462)	(2,131)	(757)	(7,964)	(6,897)
Net assets	-	-	-	-	-	-	-	-	-
Share capital – ordinary shares at £1 each	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-
Total equity	-	-	-	-	-	-	-	-	-

The called up share capital of Macmillan Cancer Support Sales Limited, Macmillan Cancer Support Trading Limited, and Macmillan Cancer Support Enterprises Limited is £2; for Macmillan Healthcare Lottery Limited, Macmillan Financial Grants Lottery Limited, Macmillan Cancer Information Lottery Limited and Macmillan Influencing Cancer Care Lottery Limited, the called up share capital is £1.

8. Expenditure

	Grants £'000	Direct staff costs £'000	Other direct costs £'000	Apportioned support costs £'000	2017 Total £'000	2016 Total £'000
Expenditure on charitable activities	98,532	38,953	30,565	23,943	191,993	173,240
Expenditure on raising funds	-	17,048	34,147	13,234	64,429	72,351
	98,532	56,001	64,712	37,177	256,422	245,591

Other direct costs associated with raising funds include direct event and campaign costs, marketing and advertising.

Analysis of apportioned support costs

	Governance £'000	Human resources and facilities £'000	Information technology £'000	Finance, legal and secretariat £'000	Policy and communi- cations £'000	2017 Total £'000	2016 Total £'000
Charitable	774	7,493	7,788	3,614	4,274	23,943	20,933
Fundraising	429	4,141	4,304	1,998	2,362	13,234	12,866
	1,203	11,634	12,092	5,612	6,636	37,177	33,799

Support costs, including staff costs, were apportioned to activities on the basis of staff numbers in each of the departments supporting the various activities. Governance costs included within support costs are apportioned on the same basis.

Analysis of governance costs

	2017 £'000	2016 £'000
Staff related costs	910	800
External audit fees:		
Audit work	106	108
Audit related assurance services	4	4
Other services	72	-
Board meeting expenses	10	11
AGM and annual report costs	18	18
Legal, strategy and other costs	83	58
	1,203	999

External audit fees include non recoverable VAT.

9. Expenditure on raising funds

	2017 £'000	2016 £'000
Costs of raising legacies, donations and grants	56,284	65,934
Costs of trading activities	7,368	5,849
Investment management fees	777	568
	64,429	72,351

10. Expenditure on charitable activities

	Direct and indirect staff costs £'000	Grants £'000	Direct and indirect other costs £'000	2017 Total £'000	2016 Total £'000
Healthcare					
Macmillan nurses	3,725	35,007	2,824	41,556	40,614
Macmillan allied health professionals	992	12,928	646	14,566	8,664
Treatment and care buildings	2,290	13,432	1,885	17,607	5,108
Macmillan GPs	1,272	2,897	1,079	5,248	4,510
Information and support					
Information services	4,626	3,601	3,795	12,022	11,080
Information buildings	197	185	126	508	1,818
Mobile Macmillan cancer information centres	3,240	-	1,583	4,823	3,682
Macmillan Support Line	6,541	-	3,640	10,181	8,514
Financial support					
Macmillan grants	1,026	13,904	1,910	16,840	16,373
Macmillan benefits advice	1,177	6,194	567	7,938	17,792
Macmillan welfare rights helpline	3,169	-	1,066	4,235	4,139
Financial guidance service	1,774	-	713	2,487	2,131
Practical and emotional support					
Social care schemes	1,538	7,616	2,111	11,265	7,665
Macmillan social workers	83	1,080	50	1,213	4,202
Volunteering services	4,286	-	1,230	5,516	2,740
Learning and development					
For Macmillan professionals	1,399	747	2,365	4,511	5,368
For people affected by cancer	470	-	292	762	888
Inclusion	996	150	900	2,046	2,824
Campaigning and raising awareness					
Research to improve cancer services	3,496	791	2,176	6,463	6,142
Public education and awareness raising	1,240	-	11,319	12,559	12,879
Policy and campaigning	8,276	-	1,028	9,304	5,415
Customer and content management	192	-	151	343	692
	52,005	98,532	41,456	191,993	173,240

Grant commitments vary in size from an individual post to a full redesign of a service or a building. This can cause significant movements in the expenditure within a category from one year to the next.

New grants committed in the year are recognised as charitable expenditure in the year in which they are made and are included above.

The grants figure shown above comprises both multi-year grants where the full cost is recognised on the balance sheet and as a liability in the year of commitment and those grants, mainly Macmillan grants, which are wholly disbursed during the year.

Grants to institutions and partner organisations totalled £84,628,000 (2016: £75,263,000). Grants to individuals totalled £13,904,000 (2016: £13,512,000). A full list of the grants made to institutions and partner organisations is disclosed in a separate publication which is available on the Charity's website.

11. Net income for the year

	2017 £'000	2016 £'000
This is stated after charging:		
Depreciation	451	482
Profit on disposal of tangible assets	-	-
External audit fees:		
Audit work	106	108
Audit related assurance services	4	4
Other services	72	-
Operating lease rentals:		
Property	3,675	3,776
Vehicles and equipment	733	782

External audit fees include non recoverable VAT.

No trustee has received any remuneration from the Group during the year (2016: £nil). The total amount of trustee expenses incurred directly by Macmillan or reimbursed during the year was £5,246 (2016: £6,174), which all related to trustee meetings and seminar attendance. One trustee was reimbursed in 2017 (2016: none). Donations received from trustees during the year totalled £11,353 (2016: £22,847). Trustees also generate non donation income through their involvement in, and support of, other Macmillan activities.

12. Staff costs and numbers

	2017 £'000	2016 £'000
Wages and salaries	61,246	57,385
Agency staff costs	1,231	1,029
Employers' National Insurance contributions	6,785	6,079
Pension costs	5,378	4,948
Other employee benefits	1,700	1,634
Redundancy and termination costs	604	415
	76,944	71,490

Redundancy and termination costs included amounts totalling £66,000 (2016: £50,000) which were unpaid as at 31 December 2017. The Executive Strategy team (EST) are regarded as the Charity's key management personnel under the Financial Reporting Standard 102. The total earnings, including benefits, employer pension contributions and termination payments received by staff who were members of the EST during 2017 totalled £1,281,000 (2016: £1,276,000). During the year payments were made to 9 staff (2016: 10 staff).

The number of employees whose total earnings in the year (including benefits but excluding employer pension contributions) fell into the bands below were:	2017 No.	2016 No.
£60,001 – £70,000	43	39
£70,001 – £80,000	28	21
£80,001 – £90,000	14	8
£90,001 – £100,000	5	4
£100,001 – £110,000	2	3
£110,001 – £120,000	1	3
£120,001 – £130,000	3	2
£130,001 – £140,000	3	2
£140,001 – £150,000	1	-
£150,001 – £160,000	-	1
£160,001 – £170,000	1	-
£170,001 – £180,000	1	1

The Chief Executive was the highest paid employee in 2016 and 2017.

Retirement benefits are accruing under defined benefit schemes for 34 (2016: 33) higher paid employees. Contributions totalling £345,000 (2016: £286,000) were made to stakeholder schemes for 80 (2016: 67) higher paid employees.

The average number of staff employed during the year was 1,838 (2016: 1,773) which includes 376 part time staff (2016: 386). The average number of full time equivalent (FTE) staff employed during the year was 1,715 (2016: 1,642).

The average FTE is analysed by function as follows:	2017 No.	2016 No.
Fundraising	611	625
Charitable	1,104	1,017
	1,715	1,642

13. Tangible assets

The Group and Charity

	Assets under construction £'000	Leasehold property £'000	Leasehold property improvements £'000	Motor vehicles £'000	Computer equipment and software £'000	Furniture and equipment £'000	Total £'000
Cost							
At 1 January 2017	-	6,794	2,433	687	1,282	1,844	13,040
Additions in the year	-	302	184	245	-	-	731
Disposals in the year	-	-	-	-	(393)	(253)	(646)
Transfers of assets brought into use	-	-	-	-	-	-	-
At 31 December 2017	-	7,096	2,617	932	889	1,591	13,125
Accumulated depreciation							
At 1 January 2017	-	50	1,966	685	1,215	1,460	5,376
Charge for the year	-	136	102	22	51	140	451
Disposals in the year	-	-	-	-	(393)	(253)	(646)
At 31 December 2017	-	186	2,068	707	873	1,347	5,181
Net book value							
At 31 December 2017	-	6,910	549	225	16	244	7,944
At 31 December 2016	-	6,744	467	2	67	384	7,664

There were no capital commitments as at 31 December 2017 (2016: £nil).

14. Fixed asset investments

The Group and Charity

	Listed investments and related foreign exchange contracts £'000	Unlisted investments and related foreign exchange contracts £'000	Money market funds and cash for reinvestment £'000	Investment properties £'000	Programme related investments £'000	2017 Total £'000	2016 Total £'000
Market value at 1 January	132,295	4,861	17,492	771	468	155,887	112,040
Purchased acquisitions	62,966	341	(63,307)	-	100	100	741
Transfer between fixed asset investments and current asset investments	-	-	-	-	-	-	37,500
Disposal proceeds	(48,955)	(73)	49,028	-	-	-	(452)
Net income reinvested	(133)	-	4,309	-	-	4,176	1,837
Net gains and losses on investments	4,331	(972)	1,705	(50)	(236)	4,778	4,221
Market value at 31 December	150,504	4,157	9,227	721	332	164,941	155,887

Investments in cash and cash equivalents within the £9,227,000 money market funds and cash for re-investment above includes £2,407,000 (2016: £15,740,000) in highly rated money market funds.

The programme related investment relates to the Charity's investment in the Care and Wellbeing Fund in partnership with Social Finance and Big Society Capital.

Investment properties comprises properties received from legacies when the Charity has title but there is a life interest.

The historical cost of Group and Charity fixed asset investments at 31 December 2017 was £158,826,000 (2016: £151,930,000).

15. Current asset investments

The Group and Charity

	2017 £'000	2016 £'000
Listed investments	39,453	35,389
Total current asset investments	39,453	35,389

The historical cost of Group and Charity current asset investments at 31 December 2017 was £39,453,000 (2016: £35,389,000).

16. Cash and cash equivalents

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Cash at bank and in hand	5,395	3,386	1,129	-
Bank overdraft	-	-	-	(297)
Total cash and cash equivalents	5,395	3,386	1,129	(297)

Within the 2016 Group total the Charity overdraft is offset against cash at bank and in hand held by the subsidiary companies.

17. Financial instruments

Categories of financial instruments	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Financial assets				
Fixed asset investments	164,941	155,887	164,941	155,887
Current asset investments	39,453	35,389	39,453	35,389
	204,394	191,276	204,394	191,276
Cash at bank and in hand	5,395	3,386	1,129	-
Debtors	64,928	62,448	67,099	63,723
Total financial assets	274,717	257,110	272,622	254,999
Financial liabilities				
Bank overdraft	-	-	-	297
Grants committed not yet paid	204,778	188,372	204,778	188,372
Other creditors and deferred income	10,624	10,233	8,456	7,757
Total financial liabilities	215,402	198,605	213,234	196,426

Risk management

The Group is exposed through its operations and investments to the following financial risks:

- Market risk
- Foreign currency exchange rate risk
- Credit risk
- Liquidity risk

Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. Market prices are influenced by movements in interest rates, currency movements and other market factors. The Charity manages this risk by employing professional investment managers and holding a widely diversified portfolio of investments.

Foreign currency exchange rate risk

The Charity is exposed to foreign currency exchange rate risk through its investment activities in assets denominated in foreign currencies. The Charity uses foreign exchange forward and option contracts to hedge this exposure when it exceeds agreed parameters.

All other non-investment related activities are denominated in sterling and therefore do not generate any foreign exchange rate risk.

17. Financial instruments (continued)

Credit risk

Credit risk in the Charity's investment portfolio as at 31 December 2017 and 31 December 2016 relates to the risk that funds in which the Charity has an investment would fail to process a request for redemption of the investment. The Charity manages this risk by employing professional investment managers and holding a widely diversified portfolio of investments ensuring that risks taken are carefully managed, monitored and controlled.

The nature of the Charity's non-investment assets and customer profile means that the Charity is not exposed to significant credit risk on these assets.

Liquidity risk

The Charity's reserves policy is framed to ensure there is no liquidity risk. The Charity has a policy of holding funds on deposit with our bankers, or investing in highly-rated money market funds, to ensure cash is available to meet liabilities as they arise.

18. Stocks and property awaiting sale

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Goods for resale	68	58	-	-
	68	58	-	-

19. Debtors

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Trade debtors	1,158	741	-	-
Amount owed by subsidiary undertakings	-	-	4,182	2,760
Accrued legacy income	55,855	52,145	55,855	52,145
Gift Aid recoverable	1,043	871	1,043	871
Sundry debtors	1,757	3,664	1,757	3,664
Prepayments and other accrued income	6,158	5,897	5,304	5,154
	65,971	63,318	68,141	64,594

It is estimated that £40,000,000 (2016: £35,000,000) of the accrued legacy income shown above will be received within one year.

In addition to the accrued legacy income above, the Charity has been notified of legacies for which no income has been recognised at 31 December 2017. The actual timing and amounts to be received are unknown. Based on the average value of legacies received, the value of these is estimated to be in the region of £29,000,000 (2016: £39,000,000).

Included within the amount owed by subsidiary undertakings is a loan of £220,000 (2016: £220,000) to Macmillan Cancer Support Sales Limited. Interest is payable on the loan and is calculated at base rate plus 2%. The loan is repayable by 31 December 2020, and is secured by a first-ranking debenture dated 28 July 1999 containing fixed and floating charges over all the assets of the subsidiary company.

20. Grants committed not yet paid

The Group and Charity

	Macmillan professionals' grants £'000	Buildings £'000	Other £'000	2017 Total £'000	2016 Total £'000
Commitments at 1 January	111,620	11,981	64,771	188,372	178,577
Grants paid during the year	(38,123)	(6,612)	(20,208)	(64,943)	(63,762)
New grants committed during the year	60,104	14,151	15,066	89,321	79,252
Commitments released as no longer required	(4,635)	(326)	(3,011)	(7,972)	(5,695)
Commitments at 31 December	128,966	19,194	56,618	204,778	188,372
Falling due within one year	37,574	16,703	17,302	71,579	62,943
Falling due after one year	91,392	2,491	39,316	133,199	125,429
	128,966	19,194	56,618	204,778	188,372

Other grants are those which are made in relation to a service which is more than just for a Macmillan professional post or a building. This includes supporting research into patient experience, funding information services or providing physical activity schemes for those recovering after treatment.

21. Other creditors and deferred income

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Taxation and social security	2,318	2,310	2,321	2,321
Accruals	2,093	1,740	1,825	1,415
Trade creditors	6,460	5,926	5,943	5,499
Other creditors	230	123	230	123
Deferred income	1,840	2,444	458	720
	12,941	12,543	10,777	10,078

22. Deferred income

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Deferred income at 1 January	2,444	1,520	720	1,502
Income deferred in the year	1,361	1,978	-	254
Deferred income released from prior years	(1,965)	(1,054)	(241)	(1,036)
Deferred income at 31 December	1,840	2,444	479	720

23. Provisions for liabilities

The Group and Charity

	Dilapidations £'000	Other £'000	2017 Total £'000	2016 Total £'000
Provisions at 1 January	471	14	485	472
Additional provisions made in the year	63	15	78	75
Provisions released from prior years	(82)	(14)	(96)	(62)
Provisions for liabilities at 31 December	452	15	467	485

The dilapidations provisions relate to property leases with various termination dates up until September 2030.

24. Analysis of group net assets between funds

	Restricted funds £'000	Designated funds £'000	General funds £'000	Total funds £'000
Tangible assets	4,827	3,117	-	7,944
Fixed asset investments	9,452	2,801	152,688	164,941
Cash and current asset investments	44,848	-	-	44,848
Debtors, stocks and property awaiting sale	6,367	-	59,672	66,039
Creditors, deferred income and provisions	(42,727)	(2,801)	(172,658)	(218,186)
Net assets at 31 December 2017	22,767	3,117	39,702	65,586

25. Movements in funds

	Balance 1 January 2017 £'000	Incoming resources £'000	Outgoing resources £'000	Gain on investments £'000	Transfers £'000	Balance 31 December 2017 £'000
Restricted funds						
Local appeals	3,292	3,635	(8,375)	-	(199)	(1,647)
Macmillan Horizon Centre	4,401	-	-	-	199	4,600
Department of Health grants	65	-	28	-	-	93
Mobile Information support	-	-	-	-	227	227
Other funds	17,849	24,833	(22,961)	-	(227)	19,494
Total restricted funds	25,607	28,468	(31,308)	-	-	22,767
Unrestricted funds						
General funds						
Investment revaluation reserve	3,957	-	-	-	2,158	6,115
Other general funds	31,475	217,544	(218,434)	5,014	(2,012)	33,587
Total general funds	35,432	217,544	(218,434)	5,014	146	39,702
Designated funds						
Tangible asset fund	3,263	-	-	-	(146)	3,117
Local Macmillan services	-	822	(822)	-	-	-
Healthcare	-	1,606	(1,606)	-	-	-
Information services	-	1,867	(1,867)	-	-	-
Macmillan grants	-	1,126	(1,126)	-	-	-
Influencing cancer care	-	1,259	(1,259)	-	-	-
Total designated funds	3,263	6,680	(6,680)	-	(146)	3,117
Total unrestricted funds	38,695	224,224	(225,114)	5,014	-	42,819
Total funds	64,302	252,692	(256,422)	5,014	-	65,586

25. Movements in funds (continued)

Purposes of restricted funds

Local appeals

Local appeal funds comprise income generated from fundraising activities by Macmillan appeals throughout the UK. Local appeal deficits often arise where we commit to funding the service early on in an appeal. Under our accounting policy, we recognise the full cost of multi-year grants when the commitment is made. Often, we will take three years to raise the income necessary to meet this cost. Such appeals will start in deficit and gradually work their way to break even over the life of the appeal. During the year no funds (2016: £nil) were transferred from unrestricted funds to restricted appeal funds to cover deficits which will not be matched by future fundraising. It is anticipated that the remaining deficits will be matched by future restricted income flows and transfers from other appropriate funds.

Some appeals raise significant funds before the actual grant commitment is made, particularly building appeals. As a result, they appear in surplus for the first part of the life of the appeal. Appeals at the year end in surplus totalled £3,244,000 (2016: £3,307,000). Appeals in deficit totalled £4,891,000 (2016: £15,000).

Macmillan Horizon Centre

Net fixed asset expenditure in the year of £199,000 (2016: £24,000) from appeal funds related to an information and support centre adjacent to the Brighton Cancer Centre. The fund balance at 31 December 2017 was £4,600,000 (2016: £4,401,000).

Department of Health Grants – National Cancer Survivorship Initiative

There were no funds received or expended in the year (2016: £12,000 expended). Grant released back to the fund in the year totalled £28,000 (2016: £19,000). The fund balance at 31 December 2017 was £93,000 (2016: £65,000).

Mobile Information and Support Service buses

Net fixed asset expenditure in the year of £227,000 (2016: £nil) from other funds related to two Mobile Information and Support Service buses. The fund balance at 31 December 2017 was £227,000 (2016: £nil).

Other funds

Other restricted funds comprise income for specific Macmillan activities. At 31 December 2017, the balance of £19,494,000 (2016: £17,849,000) is made up of:

Healthcare and information funds

Income which has been restricted to these funds has come from a variety of sources and is restricted either to clinical or information services, including nurses, allied health professionals, clinical and information buildings and information services. The income is sometimes further restricted to either a type of post or service or to a post/service at a specific location. Funds will be expended as appropriate posts are identified or developed. The balance at the year end totalled £15,636,000 (2016: £14,809,000).

Financial support and practical and emotional support funds

Income which has been restricted to these funds has come from a variety of sources and is restricted either to financial support or daily living including carer schemes, and social work. Much of this income is restricted to a geographical area, and it is likely that we will expend this income on Macmillan grants to individuals. There may, however, be other service developments in the area of the restriction and the income may be spent on such new service developments. The balance at the year end totalled £3,858,000 (2016: £3,040,000).

Designated funds

Tangible asset fund

The tangible asset fund represents the value of general funds invested in tangible assets which are not, by the nature of tangible assets, readily

available for use for other purposes. The transfer of £146,000 from the fund (2016: transfer in of £2,040,000) makes the value of the fund equal to the net book value of the tangible assets less any restricted tangible assets at 31 December 2017. Tangible asset expenditure financed from restricted funds is shown within the restricted fund balances.

Macmillan local services

£822,000 (2016: £477,000) was designated and spent in the year on seven Macmillan professional posts, to match cause related marketing raised to fund local Macmillan services.

Healthcare

The £1,606,000 (2016: £128,000) profits donated to the Charity from Macmillan Healthcare Lottery Limited were designated and spent during the year on healthcare services.

Information services

The £1,867,000 (2016: £875,000) profits donated to the Charity from Macmillan Cancer Information Lottery Limited were designated and spent during the year on information services.

Macmillan grants

The £1,126,000 (2016: £616,000) profits donated to the Charity from Macmillan Financial Grants Lottery Limited were designated and spent during the year on Macmillan grants.

Influencing cancer care

The £1,259,000 (2016: £498,000) profits donated to the Charity from Macmillan Influencing Cancer Care Lottery Limited were designated and spent during the year on influencing cancer care.

Other unrestricted funds

Investment revaluation reserve

The investment revaluation reserve is calculated as the difference between the market valuation and the historic cost of the Charity's investments. The transfer in of £2,158,000 (2016: transfer in of £14,000) is an adjustment to align the fund to the difference between market value and historic cost at 31 December 2017.

26. Related party transactions

Iain Cornish is a trustee and the Treasurer of Macmillan Cancer Support. He is also a Non Executive Director of the St. James's Place Wealth Management Group. During 2017 the St. James's Place Charitable Foundation made donations totalling £24,000 to Macmillan Cancer Support (2016: £nil).

Jane Cummings is a trustee of Macmillan Cancer Support. She is also Chief Nursing Officer for England and National Executive Director of NHS England. Macmillan Cancer Support had many interactions and relationships with NHS England during 2017. However, there were no related party transactions that she had direct influence over or financial interest in.

Sue Langley OBE became a trustee of Macmillan Cancer Support on 19 July 2017. She is also the lead Non Executive Director at the Home Office and Chairman of Arthur J Gallagher UK (AJG UK). During 2017, Macmillan received donations totalling £29,000 from the Home Office and £7,000 from AJG UK. Sue is also a Vice President of the Insurance Institute of London (IIL). Macmillan paid £3,000 to the IIL for staff training and membership fees in 2017.

Rosie Loftus is the Joint Chief Medical Officer of Macmillan Cancer Support. Rosie's husband, Dr Peter Green, is the Chair at Medway Clinical Commissioning Group (CCG). During 2017, Macmillan Cancer Support made grant commitments totalling £38,000 for Benefits Advice (2016: £99,000 for Benefits Advice, £39,000 for support services, £30,000 for primary nurse care and £42,000 for a GP post) to Medway CCG. During 2017 Macmillan made payments totalling £82,000 (2016: £84,000) to Medway CCG: £41,000 (2016: £nil) for Benefits Advice, £18,000 (2016: £nil) for support services, £15,000 (2016: £15,000) for a GP post, £7,000 (2016: £nil) for a Primary Care Nurse, £1,000 (2016: £nil) for learning and development and no payments were made for welfare benefits (2016: £69,000).

Feilim Mackle is a trustee of Macmillan Cancer Support. He was also Sales and Service Director of Telefonica UK (O2) until January 2017. During 2017, payments totalling £316,000 (2016: £252,000) were made to Telefonica UK (O2) for various telephone and data transmission services. He is also an independent Non Executive Director of Towergate Insurance. During 2017, payments totalling £377,000 (2016: £378,000) were made to Towergate Insurance.

Jane Maher is the Joint Chief Medical Officer of Macmillan Cancer Support, she is also a Non Executive Director of the Christie NHS Foundation Trust. In 2017 grant commitments totalling £2,469,000 (2016: £575,000) were made to the Christie NHS Foundation Trust; £1,880,000 (2016: £nil) for clinical end of life nursing, £524,000 (2016: £387,000) in relation to professional posts, for which payments were made of £30,000 in relation to 2017 commitments and £162,000 in relation to prior year commitments (2016: £398,000). A further £21,000 (2016: £34,000) was committed in 2017 in relation to wellbeing projects, £33,000 (2016: £nil) was committed to a pilot study, £11,000 (2016: £nil) to nursing and no further commitments were made in 2017 (2016: £60,000 to fund redesign and innovation projects, £44,000 for set up and support costs for the professional posts and £50,000 for other projects). In addition a further £151,000 (2016: £119,000) was paid in respect of grants committed in prior years; £82,000 (2016: £93,000) for National Projects, £68,000 (2016: £nil) for Research, £1,000 (2016: £nil) for set up and support posts and no payments were made in relation to learning and development projects (2016: £26,000). In 2017, £19,000 (2016: £73,000) was paid in respect of non committed grant expenditure for learning and development.

Richard Murley became a trustee of Macmillan Cancer Support on 27 April 2017. He is also Chairman of University College London Hospitals NHS Trust. In 2017 payments of

£486,000 were made to University College London Hospitals NHS Trust; £135,000 for support workers, £319,000 for professional posts, £24,000 for clinical nurse specialists and £8,000 for learning and development fees. In 2017 commitments of £470,000 were made; £279,000 for professional posts, £122,000 for clinical nurse specialists and £69,000 for support workers. Grant releases of £47,000 were made against professional posts committed in previous years.

Julia Palca is the Chairman of the board of trustees of Macmillan Cancer Support. She is also a trustee at the Dresden Assistance Fund in connection with the Royal Free Hospital and a Council Member and Vice Chair of City University of London. During 2017, Macmillan Cancer Support did not make any payments to the Dresden Assistance Fund (2016: £5,000 in connection with a pilot study).

Sir Hugh Taylor was a trustee of Macmillan Cancer Support until July 2017. He is Chairman of Guy's and St Thomas' NHS Foundation Trust. In 2017, Macmillan Cancer Support made commitments totalling £1,040,000 (2016: £493,000) to Guy's and St Thomas' NHS Foundation Trust in relation to professional posts, no other commitments were made in 2017 (2016: £38,000 for the project, 'Redesigning the System'). During 2017, Macmillan Cancer Support paid £161,000 (2016: £69,000) in relation to post holder grants commitments from previous years, £127,000 (2016: £nil) for a professional post, £79,000 (2016: £nil) for the 'Redesigning the System' project, £12,000 (2016: £nil) for a grant post and no payments were made in respect of consultancy services (2016: £26,000). During 2017, Sir Hugh became the Chair of Governors at the Health Foundation. During 2017 the Health Foundation made a donation of £7,000 (2016: £nil) to Macmillan Cancer Support.

26. Related party transactions (continued)

Richard Taylor is Executive Director of Fundraising, Marketing and Communications for Macmillan Cancer Support and he was also Chair of the Institute of Fundraising until July 2017. During 2017 membership and other fee payments totalling £63,000 (2016: £35,000) were made to the Institute of Fundraising.

Fran Woodard is Executive Director of Policy and Impact for Macmillan Cancer Support. She is also a Board Member of the Public Health England Cancer Board. During 2017, Macmillan Cancer Support made payments totalling £39,000 (2016: £25,000) to the Public Health England Cancer Board; £16,000 (2016: £7,000) for conferences and £23,000 (2016: £18,000) for two secondments.

Other

Macmillan is a member of the **National Cancer Research Institute (NCRI)**, which brings together the major organisations that fund cancer research to coordinate their activities including joint funding initiatives. In 2017, the Charity made payments of £5,000 (2016: £5,000) related to the Institute's annual conference, £8,000 (2016: £8,000) for NCRI annual membership, £6,000 (2016: £6,000) towards a Clinical Studies Group Strategy Day,

£1,000 (2016: £nil) for staff training and no payments were made for a co-ordinator post (2016: £8,000). In 2017, Macmillan Cancer Support paid £34,000 (2016: £nil) in research grants.

Macmillan Cancer Support Jersey Limited (MCSJ Ltd) is a company limited by guarantee and incorporated in the Island of Jersey (company number 104090). It is an independent organisation which carries out fundraising on the Island and funds Macmillan services. Edmond Murphy, the Senior Macmillan Development Manager for South and West England is a Director of MCSJ Ltd. During 2017 the Charity did not have any transactions with MCSJ Ltd (2016: £nil).

The **American Friends of Macmillan Cancer Support (AFMCS)** was formed in 1991 as the US affiliate of Macmillan to support its charitable programmes. The AFMCS is a public charity as described in section 501 (c) (3) of the US Internal Revenue Code. It may devote funds received by it to any purpose consistent with its charitable purposes, as dictated by its Board of Directors. During the year the Charity received £25,000 from AFMCS (2016: £nil).

Macmillan has a long standing relationship with the **National Association of Laryngectomee Clubs**. During the year, the Charity made a

grant of £30,000 (2016: £35,000) to the National Association of Laryngectomee Clubs, in support of the Association's activities. The grant was made on an arm's length basis.

The Charity acted as the Secretariat for the **All Party Parliamentary Group on Cancer**, a group which brings together MPs and Peers to improve cancer services. The Charity operates a separate bank account for the Group which had a balance of £72,000 as at 31 December 2017 (2016: £92,000).

The Charity was the trustee of the **Valerie Ferguson Trust**, a life interest trust in which Macmillan and three other charities shared the Trust assets on the death of the beneficiary of the life interest. The Trust was wound up in 2017 and the final proceeds distributed. Each of the four Charities including Macmillan received £24,000.

Macmillan Cancer Support is a member of the **Richmond Group of Charities** and provides administrative support to the Group. It makes payments and receives income on behalf of the Group. At the year end the Charity held funds totalling £52,000 (2016: £nil) on behalf of the Group.

27. Operating lease commitments

The Group and Charity

The Group and Charity had commitments to future minimum lease payments under non cancellable operating leases at the year end as follows:

	Property 2017 £'000	Property 2016 £'000 restated	Vehicles and equipment 2017 £'000	Vehicles and equipment 2016 £'000 restated	Total 2017 £'000	Total 2016 £'000 restated
Within 1 year	3,666	3,400	99	192	3,765	3,592
Between 1 and 5 years	7,616	9,874	156	59	7,772	9,933
After 5 years	-	-	-	-	-	-
	11,282	13,274	255	251	11,537	13,525

The 2016 comparative figures for operating lease commitments have been restated from those previously reported to reflect the timings of payments as they fall due.

28. Contingent liabilities

There were no material contingent liabilities as at the 31 December 2017 (2016: £nil).

29. Pension costs

During 2017, the Charity operated a defined benefit pension scheme for employees who joined the scheme before 30 April 2005, the date the scheme was finally closed to all new entrants. On 30 June 2010, the scheme closed to the accrual of future benefits. The assets of the defined benefit scheme are held separately from those of the Charity in an independently administered fund. From 1 May 2004, the Charity has paid contributions for eligible employees into a stakeholder pension scheme. The Charity has also paid contributions for eligible employees into the National Health Service (NHS) Pension Scheme and the Teachers' Pension Scheme.

Macmillan defined benefit scheme

The actuary has computed the following information about the financial position of the scheme as at 31 December 2017:

Scheme assets and liabilities	2017 £'000	2016 £'000
Fair value of the scheme assets	50,961	48,817
Present value of scheme liabilities	(41,375)	(43,412)
Net surplus	9,586	5,405

Following closure of the scheme to future accrual, in accordance with Financial Reporting Standard (FRS) 102, the scheme surplus is not recognised in the Charity's balance sheet.

Scheme funds are administered by the scheme's trustees and are independent of the Charity's finances. The scheme is a UK based defined benefit scheme, providing benefits at retirement and on death in service.

The scheme is subject to triennial valuation by an independent actuary using the projected unit method. The most recent triennial valuation was undertaken as at 31 December 2016 and reported a funding surplus of £657,000.

Following closure of the scheme to future accrual on 30 June 2010, there were no employer contributions made by the Charity in 2017 (2016: £nil). The Charity does not expect to make any contributions in 2018.

For the purposes of the disclosures required under FRS 102, the actuarial valuation has been updated at 31 December 2017 by a qualified actuary using the following assumptions:

Financial assumptions

	2017	2016
Discount rate	2.40%	2.60%
Retail price inflation	3.20%	3.40%
Consumer price inflation	2.20%	2.40%
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in payment RPI capped at 5%	3.10%	3.30%
Rate of increase in pensions in payment RPI capped at 2.5%	2.30%	2.40%
Rate of increase in deferred pensions	2.20%	2.40%

The liabilities allow for future discretionary increases of RPI (capped at 5% per annum) to be awarded each year on pension accrued to 6 April 1997.

Mortality assumptions

	2017 life expectancy	2016 life expectancy
Using mortality table S2PMA/S2PFA CMI Model 2016 [1.25%] year of birth (2015: S2PA CMI_2015_M/F [1.25%] (year of birth))	years	years
Males at 65 in 2017	22.1	22.2
Females at 65 in 2017	24.0	24.2
Males at 65 aged 45 in 2017	23.5	23.9
Females at 65 aged 45 in 2017	25.5	26.1

29. Pension costs (continued)

The scheme's assets also include £209,000 (2016: £192,000) of insured annuity policies in relation to pensions secured prior to May 1993.

An analysis of the scheme assets and the expected long-term return rates at 31 December 2017 was as follows:

	2017 £'000	2016 £'000
Equities	-	16,461
Bonds	47,842	31,740
Other	3,119	616
	50,961	48,817

Assets do not include any amounts for the Charity's own financial instruments or property occupied, or other assets used by the Charity.

The following amounts have been recognised in the financial statements for the year ended 31 December 2017 under the requirements of FRS 102:

	2017 £'000	2016 £'000
Interest income	1,119	1,198
Interest on liabilities	(1,119)	(1,198)
Past service cost	-	-
Net credit to the Statement of Financial Activities	-	-
Unrecognisable credit due to closure of the scheme to future accrual	-	-
Amount credited to the Statement of Financial Activities	-	-

	2017 £'000	2016 £'000
Actual return on assets less interest	1,754	9,448
Actuarial gain/(loss) on scheme liabilities	2,427	(11,061)
Limit on recognition of assets less interest	(4,181)	1,613
Amount recognised in the Statement of Financial Activities	-	-

Changes in the fair value of the scheme assets are as follows:

	2017 £'000	2016 £'000
Fair value of scheme assets at 1 January	48,817	38,899
Interest income	1,119	1,198
Contributions	-	-
Benefits paid	(729)	(728)
Actual return on assets less interest	1,754	9,448
Fair value of scheme assets at 31 December	50,961	48,817

29. Pension costs (continued)

Changes in the present value of the scheme liabilities are as follows:

	2017 £'000	2016 £'000
Present value of scheme liabilities at 1 January	43,412	31,881
Past service cost	-	-
Interest on liabilities	1,119	1,198
Benefits paid	(729)	(728)
Actuarial (gain)/loss	(2,427)	11,061
Present value of scheme liabilities at 31 December	41,375	43,412

Other pension schemes

The Charity participates in the NHS Pension Scheme, an unfunded, defined benefit scheme for employees who were formerly employed in the NHS, GP practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. During the year the Charity made contributions for 178 employees totalling £920,000 (2016: 151 employees, £785,000) to the NHS Scheme. There were £114,000 (2016: £nil) contributions outstanding at the end of the year.

The last full actuarial (funding) valuation for the NHS Pension Scheme was undertaken in June 2014, which reported that the scheme had accumulated a notional deficit of £10.3 billion against the notional assets as at 31 March 2012. From an accounting perspective, a valuation of the scheme liability is carried out annually by the scheme actuary by updating the results of the full actuarial valuation based on detailed membership data. The latest assessment of the liabilities of the scheme was undertaken for the year to 31 March 2017 and is contained in the scheme actuary report which forms part of the annual NHS Pension (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pension website. Going forward the Charity's contributions may be varied from time to time to reflect the changes in the scheme's liabilities. Employer's contribution rates were last increased from 1 April 2017, and are expected to remain fixed until March 2019.

The Charity also participates in the Teachers' Pension Scheme, a defined benefit scheme for employees who were formerly employed by Local Education Authorities. The Teachers' Pension Scheme is an unfunded scheme. Contributions on a 'pay-as-you-go' basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. In the year the Charity made contributions for 2 employees totalling £14,000 (2016: 3 employees, £16,000) to the Teachers' Pension Scheme.

The Charity has also made payments into a stakeholder scheme operated by Legal & General. This is a defined contribution scheme. During the year the Charity made contributions for 1,947 employees totalling £4,444,000 (2016: 1,875 employees, £4,147,000). The increase in membership is mainly due to overall growth in staff numbers during the year.



Luke, diagnosed with bowel cancer in 2007

We simply couldn't be there for people living with cancer without all our supporters. There are so many incredible donors, partners, people who have left us gifts in their wills, volunteers and fundraisers that we'd like to thank. They include:

The 29th May 1961 Charitable Trust
The Adecco Group UK & Ireland
 AG Barr
The Albert Hunt Trust
 Alva Academy
American Friends of Macmillan Cancer Support
 Andrew and Frances Bath
Andrew Kieft and Sandra Mary Darlow
 Angela Dobson
Ann King
 Argos
ASE plc
 The Atkin Foundation
Bank of England
 Bank of Scotland
Barbara Boxall
 Barclays
Bessie Royle
 Bill Brown 1989 Charitable Trust
BMW
 The Boltini Trust
Bonmarché
 Boots
The Burton Family Charitable Trust
 Card Factory
Cathy Bereznicki
 Celia Newman
Citibank Belfast
 The Constance Travis Charitable Trust
Costco Wholesale UK Ltd
 The Dorothy Howard Charitable Trust
The Elizabeth and Prince Zaiger Trust
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George Burnip
 Gillian Rowe
Girlguiding Midlands

Graham Elbell
Greene King plc
 Halifax
**The Hatcher Animal Welfare
 Charity – Roberta Hatcher**
 Lord and Lady Hattersley
The Hintze Family Charitable Foundation
 Hitachi Capital (UK) plc
Homebase
 Houghton Dunn Charitable Trust
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Ian Simpson
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The Martin Laing Foundation
 Mary Smith
Masonic Charitable Foundation

Maureen Boal Charitable Trust
The McGrath Charitable Trust
 The McVitie Trust
Miss M B Reekie's Charitable Trust
 Monarch
The Moondance Foundation
 Moore Stephens LLP
National Garden Scheme
 Nationwide Building Society
Natwest
 Nestlé UK Ltd
New Look Retailers
 Next plc
Noel Paley
 The Northwood Charitable Trust
npower
 The Oak Foundation
The Ofenheim Charitable Trust
 Sir Robert and Lady Ogden
Oliver Wyman
 One Stop Stores Ltd
P&O Cruises
 Pam and Ken McKinlay
Pamela Mount
 Paris Natar
Paterson Shortbread
 Paul Thompson
The Peacock Charitable Trust
 Perrigo Company plc
The Pharsalia Charitable Trust
 The Phoebe Wortley Talbot Charitable Trust
PizzaExpress
 Poundland
Rita Semplici

The Robert Fleming Hannay Memorial Charity
The Royal Black Institution
 Salomon Oppenheimer Philanthropic Foundation
 and Anthony & Carolyn Townsend
Sarah Clayton
 SC Johnson Ltd
Screwfix Foundation
 Selco Builders Warehouse
Shirley Neeves
 Shirley Story
Simon Heale
 Skiddle
Snapfish UK Ltd
 St Edmunds Trust
The Steel Charitable Trust
 The Sumner Wilson Charitable Trust
Teddy McPhail
 telent Technology Services Ltd
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 Utility Warehouse
Vindis Group Ltd
 Warner Leisure Hotels
The Werth Trust
 Wilko
The Wixamtree Trust
 Wolseley
York Racecourse
 The Zochonis Charitable Trust

**THANK
 YOU**

References

- 1 Reach figures have been calculated using comprehensive service data wherever available, but in some cases, these do not exist, so estimates are used. Rounding to the nearest 1,000 people (nearest 100,000 for information resources and online support) has been applied. Please see [The reach of Macmillan's services fact sheet](#) for the breakdown of our full range of services. The 'unique people helped' totals for individual services should not be added together. This is because most people accessed more than one Macmillan service in 2017. By taking into account inherent overlap between the reach of individual Macmillan services, the total unique people supported by all Macmillan services has been calculated. The extent to which people living with cancer access more than one Macmillan service is based on a 2016 survey of people living with cancer.
- 2 Maddams J, Utley M, Møller H. *Projections of cancer prevalence in the United Kingdom, 2010-2040*. Br J Cancer 2012; 107: 1195-1202. (Projections scenario 1). Macmillan analysis based on extrapolation of 2010 and 2020 projections that the number of people living with cancer will hit an estimated 2.5 million in 2015.
- 3 Maddams J, Utley M, Møller H. *Projections of cancer prevalence in the United Kingdom, 2010-2040*. Br J Cancer 2012; 107: 1195-1202. (Projections scenario 1). Macmillan analysis based on extrapolation of 2010 and 2020 projections that the number of people living with cancer will hit an estimated 2.5 million in 2015.
- 4 Reach figures have been calculated using comprehensive service data wherever available, but in some cases, these do not exist, so estimates are used. Rounding to the nearest 1,000 people (nearest 100,000 for information resources and online support) has been applied. Please see [The reach of Macmillan's services fact sheet](#) for the breakdown of our full range of services. The 'unique people helped' totals for individual services should not be added together. This is because most people accessed more than one Macmillan service in 2017. By taking into account inherent overlap between the reach of individual Macmillan services, the total unique people supported by all Macmillan services has been calculated. The extent to which people living with cancer access more than one Macmillan service is based on a 2016 survey of people living with cancer.
- 5 Actual place of death:
Internal data analysis of Mortality in England and Wales only. Office for National Statistics, Deaths registered in England and Wales, 2015. England and Wales Reference Tables.
<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/>

Preferred place of death:
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- 6 Macmillan Cancer Support/University of Bristol and TNS BMRB postal survey of 1,610 UK adults living with cancer. Fieldwork conducted August–October 2012. Survey data has been weighted.
- 7 Internal data analysis of statistics for all cancers (ex NMSC) (C00-C43 C45-C97) working age (15-64) incidence (123,965) in the UK. Northern Ireland (3425) 2012-2016 : <http://www.qub.ac.uk/research-centres/nicr/CancerInformation/official-statistics/BySite/All-Cancers-excl-NMSC/>

Scotland (11223.8) 2011-2015: <http://www.isdscotland.org/Health-Topics/Cancer/Cancer-Statistics/All-Types-of-Cancer/>

Wales (6258.6)2011-2015: <http://www.wcisuwales.nhs.uk/dashboard-data>

England (103,057) only based on single year 2015 due to lack of age breakdown over five years: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/cancerregistrationstatisticsengland/2015>
- 8 Macmillan Cancer Support/University of Bristol and TNS BMRB postal survey of 1,610 UK adults living with cancer. Fieldwork conducted August–October 2012. Survey data has been weighted.

Being told 'you have cancer' can affect so much more than your health – it can also affect your family, your job, even your ability to pay the bills. But you're still you. We get that. And, after over 100 years of helping people through cancer, we get what's most important: that you're treated as a person, not just a patient.

It's why we'll take the time to understand you and all that matters to you, so we can provide the support you need to take care of your health, protect your personal relationships and deal with money and work worries.

We're here to help you find your best way through from the moment of diagnosis, so you're able to live life as fully as you can.



**For information, support or just someone to talk to,
call 0808 808 00 00 or visit [macmillan.org.uk](https://www.macmillan.org.uk)**