


**WE ARE
MACMILLAN.
CANCER SUPPORT**



**WE ARE
REACHING
MANY MORE
PEOPLE**

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With thanks

We now have 3,119
Macmillan nurses in the
UK and last year, they
helped around 338,000
people living with cancer.

SOON WE WILL REACH EVERYONE LIVING WITH CANCER

Welcome to Macmillan's Annual Report for 2007. We have had a very strong year, both in fundraising and service development, and were able to commit over £79 million of new charitable expenditure to strengthen and extend Macmillan's services for people affected by cancer.

As ever, we are almost entirely dependent on voluntary giving, and I want to begin this report by recording the Trustees' heartfelt thanks to all who have supported us. You will see from what follows how Macmillan is working to improve the lives of people affected by cancer, and what we achieved in 2007.

In an extremely busy and successful year, I would draw attention to one particularly important development, namely the discussions initiated late in the year that led to Cancerbackup formally merging with Macmillan in March 2008. Cancerbackup has built a leading position as a specialist provider of very high quality clinical information on cancer. We believe that easily accessible information is a critical form of support for people with cancer and their families. The merger will greatly accelerate the development of our information services, through our cancer centres, helplines and websites, and will ensure that the information we provide is of the highest quality. This is an exciting step and I am very pleased that Dr Maurice Slevin and Professor Amanda-Jane Ramirez, respectively former Chairman and trustee of Cancerbackup, have joined our Board. I am delighted that Ken Lacey, formerly Global Managing Partner of Accenture's Health and Life Sciences business, also joined the Board in December 2007.

I would like to take this opportunity to thank all Macmillan staff who work with great energy to develop our services and to raise the funding we need. In May 2007, we welcomed Ciarán Devane as our new Chief Executive. He and



the executive team have picked up a major organisational review, initiated earlier in the year, which will help ensure Macmillan continues to be tightly managed, fit for growth, and as efficient as possible in the way we use donors' money. This has been a challenging exercise, but everyone recognises its significance and the Trustees attach the highest importance to it. I am pleased to say that we are already seeing the benefits in the pace and efficiency of our activity, and that this project will continue in 2008.

All of these efforts lead back to one thing: our commitment to making a massive difference to everyone living with cancer. With your continuing support, I am confident we will be able to bring positive change into even more people's lives in the coming year.

Jamie Dundas
Chairman

WE GAVE NEARLY
£8.7M OF
MACMILLAN
GRANTS TO
24,000
PEOPLE

OUR GOAL IS IN SIGHT

2007 has, once again, been an excellent year for Macmillan Cancer Support. It is also the year in which I stepped into the role of Chief Executive of this dynamic and forward-thinking organisation, which is both a privilege and an exciting challenge.

Thanks to everyone's hard work, we are now well on our way to achieving our target to reach and improve the lives of everyone living with cancer by 2010.

Over the course of the year, we estimate we had over 1.4 million interactions with people who needed our support, through our newly-updated website, telephone helplines and our dedicated staff, Macmillan nurses, other professionals and volunteers. This huge increase in the number of people helped was partly due to the ever growing network of Macmillan services across the UK and also to our extremely successful campaign to make more people aware of Macmillan Cancer Support and the ways we can help.

As mentioned by the Chairman, the Cancerbackup merger completed on 31 March 2008. This exciting development will help more people affected by cancer get faster and better access to high-quality information at every stage of their cancer journey.

We also worked closely with Governments across the UK to shape and improve the future direction of cancer policy and services. Because of our involvement, the National Cancer Survivorship Initiative has been launched early in 2008 in England to address the needs of people living with cancer once their treatment is finished.

However, we also know there are still many others who are not yet able to benefit from Macmillan's services and support – and their number is growing. Now we must focus on reaching every person living with cancer, regardless of who they are, where they live or what type of cancer they have. And we must ensure that our services take account of the increasing localisation of the NHS.



On the question of money, we grew fundraised income to a record £107.8m, 10% more than 2006, which allowed us to increase our charitable expenditure for the benefit of people affected by cancer by nearly 20%. We improved our efficiency and will continue to monitor future expenditure carefully in line with available funds, ensuring spend results in maximum benefit for people affected by cancer.

We will address the challenge of finding fresh ways to fund our goal and put the needs and wants of Macmillan's supporters at the heart of the way we fundraise. We have begun to implement ways to make our organisation as efficient, effective and dynamic as possible, and I am determined that this work will continue in the future.

I believe we can look forward to 2008 with great hope and confidence. We are in a stronger position than ever to realise our ambition to reach and improve the lives of everyone living with cancer and it is my personal intention to make sure we do all we can to get there.

Ciarán Devane
Chief Executive

ABOUT US

Trustees' report:

The Trustees present their report and the audited financial statements for the year ended 31 December 2007.

We exist to help improve the lives of people affected by cancer, both those living with cancer and also their families and carers. While we will continue to expand our support to this wider group of people affected by cancer, our primary focus for 2010 is to reach and improve the lives of everyone living with cancer.

By this we mean that we want to be able to reach every single person who is diagnosed with cancer and to be there for them at every stage of their cancer journey, no matter who they are, what part of the country they live in, or what type of cancer they have. We will reach them by helping to make life better, in however large or small a way, through our services. This help may come in ways they can see and touch, such as an information leaflet or specialist medical care and support. Or we may improve support for them in less visible ways, for instance, by influencing policies and legislation that may result in welcome changes, such as the removal of hospital parking charges.

There is a greater need than ever for our help. Today, more people in the UK are living with cancer and one in three of us will get cancer at some point in our lives. Cancer affects us all and we can all help to make people's experience of it better.

What's more, cancer, and our experience of it, is changing. As the population ages, more people are getting cancer but, with the help of improvements in screening, diagnosis and treatment, more people are living longer with and after the disease. This means that a growing number of people need more than just medical help; they also need information, practical, emotional and financial support. They're often spending less time in hospital and more time at home – so cancer is becoming a part of more and more people's daily lives.

As people's needs around cancer have changed, so have we. We're building on the traditional healthcare services we're known

for and adding new ones to give people what they want. And it's not just people with cancer who are affected – their families, carers and communities often need help too.

We are that source of support. We help anyone affected by cancer find their way through the system to get the help and support they need. We fund nurses and other specialist health and social care professionals; we share information; we give emotional support; we offer financial help and advice, and we provide practical help at home.

We manage a number of services ourselves, such as our telephone helplines and website. But we can't do everything alone. We work in close partnership with the NHS and a range of other organisations, such as local authorities, Citizens' Advice and other cancer charities, to develop a wide range of other services too.

We are also a force for change, listening to people affected by cancer and working together to improve cancer care. We innovate and develop new services, fight discrimination and campaign for changes in policy, legislation and practice. Some of these activities bring immediate support to people affected by cancer. Others become part of the UK's permanent infrastructure for cancer care and support and provide long lasting benefits to thousands of people affected by cancer now and in the future.

Legal information

Legal and administrative information set out on page 46 forms part of this report. The financial statements comply with the current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities 2005.

The objects of the Charity, as set out in its Memorandum of Association, are to 'assist cancer sufferers by grants of cash or kind; to further cancer education; to establish, endow or make grants to hospitals, hospices, nursing or convalescent holiday homes for cancer sufferers; and to engage in any activities whatsoever which may lessen the sufferings of cancer patients and as ancillary thereto to protect and preserve the health of their families, friends and helpers'.

OUR
BENEFITS HELPLINE
SECURED
£10.6M
IN EXTRA
BENEFITS
FOR THE PEOPLE
THEY HELPED

WHAT WE DO

More people are living with cancer and surviving cancer than ever before. Which means they don't just need medical help, but information, practical, emotional and financial support too. Here you can see many of the free services we provide to support people through their cancer journey, and how many people were helped in 2007.

We also reach and improve the lives of people affected by cancer through our role as a force for change where we campaign to improve health and social care policy, develop new services and address inequality.

Macmillan health and social care professionals

Such as radiographers, physiotherapists, pharmacists, dietitians, psychologists and speech and language therapists.

64,000 people helped

Macmillan nurses

Help with symptom and pain control, give advice and information on treatments and provide emotional support.

338,000 people helped

Macmillan information and support centres

Provide cancer information in a supportive way through local hospitals, libraries and GPs' surgeries.

128,000 people helped

Macmillan Grants

Help ease the financial hardship cancer can bring by paying for extra cancer-related expenses, such as larger heating bills.

24,000 grants given

Macmillan Benefits Helpline

Gives advice to people affected by cancer, on how to access appropriate statutory benefits and other financial support.

7,000 people helped

**1 in 3
people living
with cancer**

Macmillan CancerLine

A telephone helpline providing information and emotional support.

39,000 people helped

Macmillan doctors

Offer specialist cancer care and share their skills and knowledge, helping to improve cancer and palliative care.

12,000 people helped

Self help and support groups

We provide grants, information and training to help people affected by cancer to meet and share their experiences, worries and information.

13,000 people helped

Mobile Macmillan Cancer Information Centres

Bring confidential information and support to people in communities who may have little knowledge about cancer or Macmillan.

13,000 people helped

Macmillan emotional and practical support services

Provide support to help people manage the social, practical and emotional problems of living with cancer. We support social workers, befriending and bereavement schemes and carers' schemes.

14,000 people helped

Macmillan benefits advice services

Work in partnership with organisations like Citizens Advice and local authorities, to offer face-to-face benefits advice for people affected by cancer.

17,000 people helped

Macmillan website www.macmillan.org.uk

Offers a wealth of on-line information about Macmillan and other cancer services, as well as advice, tips and the chance to share experiences.

1.4 million visits

Cancer treatment and care buildings

Planned and funded by Macmillan they include chemotherapy treatment, breast care and palliative care suites.

62,000 people helped

WHAT WE PLANNED
WHAT WE
ACHIEVED
AND WHAT
WE'RE DOING
NEXT

2007 has been a very successful year for us and we are delighted to have achieved so much. Here we'd like to share with you what we aimed to do, what we ultimately achieved, and what we intend to do in the future. We know that what we plan to do in the future is dependent on the money we can raise, and we hope that we may rely on your continuing support.

We are a source of support

We want to improve the lives of people affected by cancer. This means providing support in any way they need it, from healthcare and information to practical, emotional and financial support.

Our healthcare

Macmillan nurses, doctors and many other health professionals play a vital role in improving quality of life for cancer patients and their families. They help to co-ordinate care, relieve pain and deal with the social, emotional and practical effects of cancer. Funded and supported by Macmillan, they become part of the UK's permanent infrastructure of cancer care and support.

What we aimed for in 2007

- To fund 70 additional nurses and 20 allied health professionals.
- To invest in eight more clinical buildings.
- To launch an Environmental Quality Mark Scheme to push up the standard of cancer treatment and care centres across the UK.

What we achieved in 2007

- We improved the quality of life for cancer patients and their families by funding 108 nurses (54% above target), 52 allied healthcare professionals and seven doctors (well over 160% ahead of target). This was possible thanks to strong fundraising during the year. We now have over 4,300 Macmillan professionals, including over 3,100 Macmillan nurses, working in the NHS and other organisations across the UK.
- We invested £5.6m, just over 7% of our total charitable spend, on expanding the number of high quality buildings that help people going through cancer treatment and care feel supported and cared for. We now have 149 Macmillan buildings (including information centres) across the UK through which we reached 62,000 people.
- To ensure the standard of cancer treatment and care buildings is equally high across the UK, we influenced the Cancer Reform Strategy for England to recognise the need for a 'kite-mark' for cancer centres. We will pursue the development of this Environmental Quality Mark over the next three years.
- To improve support for people living with and beyond cancer, we undertook to lead jointly with the Department of Health a National Cancer Survivorship Initiative in England. This will improve information and support services for people after active treatment, help them manage their illness more easily themselves, and extend research on the needs of people post-treatment.

Future plans

- As part of our new healthcare strategy we will increase our resources for people with complex or rarer cancers. We will also support those who are older or have particular needs, for example people with learning disabilities. We will move towards funding whole teams of healthcare professionals, rather than individual posts.
- In 2008, we will pay for six rehabilitation support teams, six lymphoedema teams, three complex cancer teams and seven palliative care teams. These teams will include 95 nurses and allied health professionals. In addition, we will commit funding to 23 nurses, 13 allied health professionals, and continue to fund new doctors and clinical support professionals.
- As part of the National Cancer Survivorship Initiative, we will begin to pilot new 'survivorship' services to help people living with cancer manage any late effects from cancer treatment, access appropriate psychological support, and manage recurrence of the disease.
- We will continue to spend around 7% of our charitable spend on cancer treatment and care buildings in 2008, and reduce this slightly in 2009 and 2010 to reflect increased spend on information facilities. Through our Macmillan clinical buildings, we will reach a total of 68,000 people by 2010. We will also conduct a UK-wide audit of cancer treatment and care buildings in 2008, then roll out our Environmental Quality Mark to raise overall standards across the UK.

'I've had three Macmillan nurses. Put simply: I could not have done this cancer journey without them.'

Ovarian cancer patient, Birmingham

'Your guidance and advice has been invaluable, as previously we had been pulling our hair out at the lack of co-ordinated support from the professionals.'

CancerLine caller

Our information and support

We want to help people understand their illness, take away some of the fear, allow them to make informed decisions about their treatment and find their way to the services and support they need.

What we aimed for in 2007

- To expand our website, increase the volume of information available about cancer care services and launch an online map of our information services.
- To provide telephone or email support to 43,000 people through our information helplines.
- To achieve a 25% increase in the number of people reached through our Mobile Macmillan Information Centres, and plan a new mobile service to cover the East Midlands and Northern England.
- To commit to 50 additional information initiatives, such as information professionals and information centres.

What we achieved in 2007

- To reach more people affected by cancer and make it easier for them to find information and support, we redesigned our website and created a searchable map showing the locations of both Macmillan and non-Macmillan information centres. Our visitor numbers rose to 1.4 million – an increase of 54% on 2006 – with approximately 700,000 of these visitors using our website as a source of support.
- We extended our information and emotional support to 39,000 people through our telephone information helplines. This was 8% fewer than we'd hoped, due to lack of capacity, but an 18% increase in the number of people helped since 2006.
- Our national Mobile Macmillan Information Centre and our regional version covering London, Anglia and the South-East reached 13,000 people, 1% below target and slightly less than in 2006 due in part to poor weather throughout the summer months. Following feedback, we decided to phase out our national Mobile Macmillan Information Centre and made plans for a new regional service in the East Midlands and Northern England.
- We provided information and emotional support to an estimated 128,000 people by committing funding to 35 additional information professionals and five information centres; we refurbished nine cancer information centres and we piloted our first information 'pod'. We now have 68 Macmillan information centres and 205 Macmillan information professionals.
- We entered into a partnership with Cancer Research UK, Cancerbackup and the Department of Health to introduce 'information prescriptions' in England. This will enable people affected by cancer to receive personalised information from health professionals at any point along their cancer journey.
- We were delighted to reach agreement with Cancerbackup for them to merge with us, and negotiations were successfully concluded on 31 March 2008. This will help us increase and extend the range of information and support we provide to people affected by cancer across the UK.

Future plans

- During 2008 we will develop a single Direct Cancer Information and Support Service that will consolidate all of our existing telephone helplines, including the Cancerbackup specialist helpline service, and will offer information about, and support for, all issues relating to cancer and how to get involved with Macmillan. The model will be launched in early 2009 and will help over 45,000 people, 15% more than in 2007.
- We will reach 14,000 people in 2008 through our two regional Mobile Macmillan Information Centres and explore possibilities for creating other regional and local mobile information services.
- We will review our information strategy in the light of our merger with Cancerbackup, and strengthen our targets for developing additional information services and improving existing ones. Through our information and support centres, we aim to reach an estimated 210,000 people in 2008, rising to around 266,000 in 2010. We will also recruit 10 information professionals to ensure NHS Cancer Networks are developing the infrastructure to deliver high quality information to people affected by cancer.
- We will produce information that can be 'prescribed' to patients as part of the English Information Prescriptions initiative – and explore the possibility of similar initiatives in the UK's other nations.
- We will work with GPs to discover new ways to make information more accessible through surgeries and clinics.

Our financial support and advice

A cancer diagnosis brings with it many extra costs and anxieties. We help people with those costs and show them how to get the benefits and financial help they're entitled to, so they can concentrate on getting well.

What we aimed for in 2007

- To help around 23,000 people in financial hardship through Macmillan Grants, worth around £390 each.
- To fund 27 additional benefits advice schemes. These will provide around 15,600 people affected by cancer with advice on how to access the benefits they are entitled to.
- To help 8,000 people access statutory benefits through our Macmillan Benefits Helpline.

What we achieved in 2007

- To help ease financial worries and pay for practical things that make life easier, we gave almost 24,000 people a Macmillan Grant of £364 (on average), 7% more people than in 2006 and 4% more than we planned. This totaled nearly £8.7 million worth of financial help.
- To help people access the statutory benefits they are entitled to, we funded 26 additional benefits advice schemes and 31 additional benefits advisors who, together with our existing services, helped around 17,000 people, 9% more than planned. We now have a total of 87 Macmillan benefits advice schemes and 85 benefits advisors/welfare rights officers across the UK.
- This year, the Benefits Helpline secured a total of £10.6 million in extra benefits for the people we helped: more in total than last year and also more per person. This amounted to just over 7,000 people helped, 13% less than planned, which was largely due to changes in the benefits system that made each case more complex and time-consuming.

Future plans

- We aim to reach 25,000 people with Macmillan Grants in 2008 and award them a total of around £9.1 million.
- We will answer benefits enquiries from over 18,000 people through our direct cancer information and support service, rising to around 65,000 by 2010.
- We will commit funding to 35 more benefits advisors who, together with our existing services, will help around 39,000 people a year by 2010. By then we also want to have at least one cancer benefits advice service in every primary care trust or equivalent.
- We will launch an on-line self-assessment tool so that people affected by cancer can find out for themselves what benefits they are entitled to and get help on issues including disability and illness benefit.
- We will improve the consistency of the financial support and advice we provide across the UK and increase access to help for those in the greatest need.

'I cannot thank you enough for your help. I have only 2% of hearing and struggle so much on the telephone – I get so stressed without my husband who has always been my ears, I really appreciate what you have done for us.'

Benefits Helpline case dealt with predominantly by e-mail

'I think it gives encouragement to people to start support groups. It was very useful having experienced 'buddies' present who could share their knowledge.'

Participant from our 'buddying' course

Our practical and emotional support

A cancer diagnosis is challenging for the person with cancer but also for the people who love and care for them. We give people living with cancer and their carers the emotional and practical help they need, and help them support themselves and each other.

What we aimed for in 2007

- To commit funding for 14 additional social support professionals.
- To increase emotional support to people affected by cancer through our volunteer befriending schemes.
- To promote cancer self help and support groups more effectively.
- To pilot schemes to help people living with cancer find the care and support that suits them best and pay for things that will improve their quality of life.

What we achieved in 2007

- To help people receive the emotional and practical help they need, we funded 21 additional social support professionals, including social workers and family support workers; 50% more than planned. Along with our 78 existing social support professionals, they helped an estimated 14,000 people in 2007.
- We began a review to map unmet needs and establish the best ways to provide emotional and practical support for carers. We also funded three additional befriending/bereavement schemes and seven additional carers' schemes, bringing the total number of such schemes to 74.
- Meeting other people with similar experiences can be invaluable for people affected by cancer. This led us to support the creation of 51 new self help and support groups in 2007, resulting in around 850 cancer self help and support groups across the UK. We also gave 201 small grants to help groups develop specific projects and services and provide group Members with training and development.
- To give people with cancer the chance to choose and pay for services and other solutions that will improve their sense of wellbeing, we agreed on a project known as Macmillan Solutions. This project will use volunteers to act as 'buddies' for people affected by cancer. We decided to delay our pilot schemes for the project so that we could refine our plans and it will now go ahead in 2008.
- The Share section of our website enables people affected by cancer to share their experiences online, connect with others and receive the emotional support they need. This section of the site continues to go from strength to strength with over 257,000 visitors in 2007, compared to just over 88,000 in 2006. The number of regular users who are registered has also doubled since last year.

Future plans

- We will introduce 14 additional social support professionals who, together with our 78 existing professionals, will reach around 14,000 people affected by cancer in 2008, rising to 16,000 by 2010. We will also support the creation of at least 40 more cancer self help and support groups in 2008.
- Following our review, we will agree new ways of extending emotional and practical support for people with cancer, and their carers and families. This will include more services delivered by volunteers because we know they add a special dimension to care and support for people affected by cancer.
- We will trial Macmillan Solutions schemes in two areas, evaluate the pilots, and roll out if successful.
- As part of the National Cancer Survivorship Initiative, we will launch a project that will assess needs and provide support to people experiencing the late effects of radiotherapy treatment. We will also pilot services that help people to manage their condition more easily themselves so that they feel more in control.

We are a force for change

We listen to people affected by cancer, research what support they really want, and work with them to improve cancer care. We develop services where they are needed most and work with our partners to drive up standards in all aspects of cancer care. We keep cancer on the political agenda by campaigning for better Government policies.

Raising awareness and campaigning

We want to reach and improve the lives of as many people affected by cancer as possible. To do that we raise awareness and correct misperceptions of who we are, and improve quality of life for people affected by cancer through policy and system change.

What we aimed for in 2007

- To influence the Cancer Reform Strategy in England so that it focuses on the needs of people living with cancer and make sure cancer remains a disease priority in Scotland, Northern Ireland and Wales.
- To continue with our Better Deal Campaign, including lobbying for a fairer benefits system for people with cancer, free hospital travel and parking, and more affordable travel insurance.
- To carry out more research into the issues that prevent people from staying at or returning to work.
- To undertake an advertising and press campaign to make more people more aware of us and the help we can offer.
- To conduct and publish research into what people would ideally want from cancer services in 10 years' time.
- To launch a Big Cancer Survey to find out more about the support needs of people living with cancer now compared to those with other chronic conditions, such as diabetes.

What we achieved in 2007

- We worked alongside the Government to ensure that the Cancer Reform Strategy for England included a whole chapter on the information, care and support needs of people living with and beyond cancer, reflecting 95% of our policy calls. We continued to influence cancer strategies in the other UK nations, including chairing the Cancer Coalition of Charities in Scotland, taking an active role in working groups in Northern Ireland, and influencing the Minister for Health and Social Care to commit to a Cancer Plan for Wales.
- To achieve fairer travel insurance for people with cancer we launched the third strand of our Better Deal Campaign and received promising signs from some insurers that they will change their scoring criteria for some people who have had cancer.
- We launched our Working Through Cancer campaign to highlight the problems people experience when staying at or returning to work after cancer. We created 'best practice' guidance for our own managers and staff, and now the Welsh Assembly Government is interested in piloting a similar approach.
- We conducted a nationwide advertising and press campaign to raise awareness about who we are and what we do, and encourage uptake of our services such as information, financial support and the Share section of our website. The campaign resulted in unprompted awareness of Macmillan doubling from 6% in June to 12% by October.
- We published our 'Future of Cancer Care' report which describes what people affected by cancer believe cancer services should be like in 10 years' time.
- We began a survey of the health and wellbeing of cancer survivors to find out the extent to which they experience ongoing health problems.

Future plans

- We will continue to push for cancer strategies in Scotland, Wales and Northern Ireland to focus on the needs of people living with cancer. And we will help to implement the newly-published Cancer Reform Strategy in England, including leading on survivorship services and research, and influencing systems to measure improved patient experience.
- We will continue our Better Deal Campaign, including extending free or affordable hospital car parking across the whole of the UK; improving access to benefits advice; and addressing unfair costs and discrimination relating to insurance and financial products.
- As part of our Working Through Cancer campaign, we will set up an expert panel to stimulate policy reform, encourage adoption of good practice by employers, and work with the NHS to develop appropriate rehabilitation models to help more people recovering from cancer treatment to resume employment as soon as they feel able.
- We will run two awareness campaigns in the spring and autumn of 2008 via television and poster advertising to continue to raise awareness and correct misperceptions of who we are and what we do.

'Good to see the work of Macmillan advertised. I had many more enquiries on benefits and support groups from my patients.'

A Macmillan professional

'This wonderful course has changed my life completely, giving me more confidence as a volunteer working with cancer patients.'

Participant on our Cancer Support Course

Empowering people

By supporting our staff, Macmillan professionals, Cancer Voices, volunteers and self help and support groups, we help them provide the support people affected by cancer really need and want. We also inspire them to be ambassadors for Macmillan and agents of change.

What we aimed for in 2007

- To launch a new learning and development website and offer electronic learning resources in a number of areas including cancer awareness, user support and involvement and information, so that Macmillan nurses and other professionals are equipped to meet people's needs, including their non-clinical needs.
- To continue to increase opportunities for Macmillan nurses and other professionals to share their experiences and learning by providing networking events and promoting our online network, CHAIN (Contact, Help, Advice and Information Network).
- To keep on safeguarding Macmillan posts and services that may be at risk of closure or change due to structural and financial changes within the NHS.
- To help Macmillan nurses and other professionals choose and find the most appropriate training for their career development, and improve the induction process of new Macmillan professionals to ensure their full effectiveness.
- To carry on expanding our Cancer Voices network and help them to be effective influencers and agents of change, and ensure people affected by cancer are heard by everyone concerned with cancer care.

What we achieved in 2007

- We agreed a new learning and development strategy and recruited 11 managers to replace our previous university-based system which we decided to close in order to extend our support in new ways to all Macmillan nurses, other Macmillan health and social care professionals, and people affected by cancer. The new model is already being well received.
- We launched the Learn Zone, an interactive website that provides tailored information about Macmillan's learning events and forums, the opportunity for online advice and support, and a self-assessment tool to aid career development choices by Macmillan nurses and other professionals.
- We launched CHAIN to help Macmillan professionals network and learn from each other online; it already has over 400 users, more than we planned. We also organised a face-to-face learning event attended by the England National Cancer Director which attracted over 200 Macmillan professionals and was well evaluated.
- Thanks to effective lobbying and teamwork, we succeeded in our efforts to safeguard Macmillan posts and services that were at risk of closure or change due to structural and financial changes within the NHS.
- To support newly-appointed Macmillan nurses and other professionals make the transition to being specialists, we designed and launched a new standard induction programme which is delivered locally.
- To help people affected by cancer bring their experiences to bear on the development of cancer services, we exceeded our target by recruiting over 500 more Cancer Voices, bringing the total to 1,100. We also provided over 600 of them with training, including courses on self-management and living with cancer.

Future plans

- We will launch eight new e-learning courses for Macmillan professionals during 2008 and hold two national learning events across the UK, as well as local events. We will roll out the improved induction and 'Setting Out! programme' for all new professionals.
- We will recruit 10 volunteer learning advisors during 2008 to help Macmillan professionals assess their learning and development needs, and launch an online mentoring service to help identify the most appropriate support available.
- During 2008 we will provide 450 Macmillan professionals and 100 groups with education grants to extend their knowledge and skills for the benefit of people affected by cancer.
- We will roll out more training courses for people affected by cancer, including courses on self management, living with cancer, and core skills for self help and support groups and Cancer Voices.
- We will double the number of Macmillan Cancer Voices to 2,200 by signing up an additional 1,100 people during 2008, including more individuals from hard-to-reach communities, and we will improve their induction and training.
- We will produce a new 'menu' of ways people affected by cancer can become involved in our work and produce a 'Know Your Rights' tool kit to make people aware of what they are entitled to and can expect from good cancer services.

We want the best people and infrastructure

We are determined to put in place the right infrastructure, recruit and retain the best people, and ensure our processes are simple and clear. This will help maximise the impact of what we do for people affected by cancer, and ensure we act as responsible custodians for the funds and support you so generously give.

We want the best people and infrastructure

Our goal is to reach and improve the lives of everyone living with cancer by 2010. It is a bold ambition and we know we will only get there if we have the right people working with us and the right organisational structures and ways of working to support them.

What we aimed for in 2007

- To review our internal operations with the aim of improving the effectiveness and efficiency of our organisation as a whole.
- To review our ICT systems and ways of working to improve the customer experience of Macmillan for people affected by cancer, our supporters and donors.
- To introduce a new system of pay and reward for Macmillan staff and further develop our leadership and management skills.
- To increase volunteering opportunities by 25% across the UK, provide volunteers with appropriate training and support, and better celebrate their invaluable contribution to our work.

What we achieved in 2007

- We made decisions about new structures and ways of working, and started to implement changes that will mean we operate as efficiently and effectively as possible for the benefit of people affected by cancer.
- We began a two-year project called Fusion to make it easier for people to find the information and support they need and improve our ICT systems and processes. We also made improvements to our processes for collecting and acting on customer feedback, including complaints.
- We agreed new job levels, salary bands and competencies for staff to help with career development and appraisals, and introduced a new leadership training programme for managers which was well received.
- To help make volunteering a more rewarding and attractive experience for people, we increased the number of opportunities available to volunteers, improved the tools and training available, and introduced new volunteer awards panels to celebrate success.
- Discussions started late in the year that led to Cancerbackup formally merging with Macmillan in March 2008. This exciting development will help more people affected by cancer get faster and better access to high-quality information at every stage of their cancer journey.

Future plans

- We will continue to make improvements to our structures, processes and ways of working, including refining the way we plan and manage activities to drive delivery of our 2008-10 strategy and longer-term goals.
- We will continue our Fusion project over the next two years, including launching our single Direct Cancer Information and Support Service in early 2009 to help more people and improve the quality of the advice we provide. We will also develop an intranet so we can talk to each other and share information more easily.
- We will continue to improve the management of our staff and build the necessary skills to enable us to deliver change quickly and effectively.
- We will continue to provide excellent support to volunteers and maximise their potential through involvement in service delivery, fundraising and other aspects of our work.
- We will capitalise on the benefits of the merger with Cancerbackup and increase our capacity to provide first-class information and support to people affected by cancer.

'I'm proud of Macmillan, for what we do and achieve. It's a pleasure to work here.'

Macmillan staff member

WE NOW HAVE OVER 4,300 MACMILLAN PROFESSIONALS

Total numbers of existing Macmillan posts

Nurses	3,119
Allied healthcare professionals	424
Doctors	354
Information posts	205
Social workers, family support workers	78
Benefits advisers, welfare rights officers	85
User involvement posts	13
Education posts	35
Other posts	33

Total Macmillan Posts

Carer/befriending/bereavement schemes	74
Completed buildings	149
Benefits schemes	87
Static and mobile information centres	68

HOW WE MANAGE THE MONEY YOU GIVE US

We have had another strong year. Our donors' great generosity combined with the enormous commitment of our volunteers and staff resulted in our best ever year for fundraising. Our fundraising income grew by more than 10% to £107.8 million. This allowed us to increase our charitable expenditure to over £79 million, nearly 20% more than 2006.

As we said last year, we are looking to increase charitable spend progressively as we accelerate the growth in our services reach. As we add new services to our traditional services such as Macmillan nurses and Macmillan Grants, we need to work out how best to fund these programmes. In some cases this may add to our fixed costs. Our ambition is to grow our reach and therefore sits alongside the need to take time to ensure we get right any new ways of funding.

As Trustees, we believe that the future prospects of Macmillan Cancer Support and its subsidiary trading companies are satisfactory.

How we spent our money

You can find a summary of our £79 million charitable spend in 2007 on page 25. At the same time, pages 8 to 17 explain what we do and put the numbers in context.

As mentioned above, our 2007 charitable spend was nearly 20% higher than in 2006, allowing us to drive forward both our new and established programmes to help people affected by cancer. We agreed to support 191 new posts during the year which means that at the end of 2007 we had 4,346 Macmillan professionals including 3,119 Macmillan nurses. We increased our spend on Macmillan Grants to a record £8.6 million, helping over 24,000 people. We also spent over £6 million on buildings and over £7 million developing Macmillan benefits advice projects and a further £7.2 million on information services.

You'll find a more detailed analysis of our spend in note 7 to the accounts on page 35.

How we raised our money

Our income has always come mostly from voluntary giving and fundraising. Last year was no different, with £107.8 million (nearly 95%) of our record £114 million income coming from voluntary sources. Investment income provided 5% of our income with statutory grants contributing less than 0.2%.

Legacies grew by nearly 7% to a record £40.9 million. As with other charities, it's never easy to forecast what we're going to get from legacies, but they remain our biggest source of revenue contributing over a third of our total voluntary income. This is why it makes sense for us to continue our long-term investment in legacy development.

Our direct marketing income grew by over 11% to £15.1 million. We continue to invest in this area which has shown consistent growth and return on investment over many years. Our income from corporate partnerships also grew significantly by over £2 million to £7.7 million.

Income from the World's Biggest Coffee Morning grew again in 2007, reaching £7.1 million – 6% up on 2006 – and we will continue to invest in this flagship fundraising event.

We are still very much committed to investing in sources of income, such as legacies and direct marketing, that are important for our future. We are looking at increasing our investment in 2008 behind sources such as direct marketing. In the short-term this will increase our fundraising costs because the resultant income will be spread over future years. We will continue to carefully manage the pace of any investment growth.

At the same time we are keeping a close eye on our costs and our fundraising activities to make sure we're making the most of the money we invest in them.

Reserves

Target range

As a large, dynamic organisation relying almost entirely on voluntary giving, we need to hold adequate reserves so that we can honour our charitable spend commitments if there are dips in income and also so that we can react to unexpected opportunities to support people affected by cancer. We also need to ensure that we have enough reserves set aside to cover our pension commitments.

Each year, the Trustees review the amount of money we keep in our general reserve fund. We have recently completed this review and raised the target level to £30 million for general reserves with a target range of between £25 million and £35 million.

This change reflects our growth and the continuing shift towards fixed charitable spend rather than one-off grants. The £30 million target level represents some three months of normal expenditure.

Actual reserves

In 2007 a strong fundraising performance was well above-budget and allowed us to increase our charitable spend above budget. We always aim to spend money raised as soon as possible without relaxing our standards of what represents good spend. As a result, we did not spend all our above budget income and generated an in-year surplus of £4m. We therefore ended the year with general reserves of £39 million, a little higher than our current target range.

We are planning a deficit in 2008 that would, if delivered, bring us within our target range of reserves.

Our investments

Long-term funds

Our long-term reserve funds are managed on behalf of the Trustees by JP Morgan Private Bank. Its job is to maximise the overall growth of these funds while maintaining a prudent and balanced portfolio that performs steadily. We've also made it clear that our funds must not be invested directly or indirectly in tobacco stocks. We aim to

hold funds broadly equivalent to our target level of reserves (see reserves policy) in our long-term investment portfolio.

The performance of JP Morgan is regularly monitored by the Trustees against agreed benchmarks and was again satisfactory in 2007.

Short-term funds

At 31 December 2007 we had unpaid but committed charitable grants of £102 million and, at the same time, £106 million of cash and short-term deposits in hand to meet these commitments. Pending actual payment of these grants, the funds are either held on deposit with our bankers or invested in highly-rated money market funds.

During 2007, most of this money was held in three highly-rated liquidity funds, which diversify and reduce risk and generate good returns. The Trustees regularly monitor these funds to ensure the security of this money as well as reviewing the investment performance, which was satisfactory.

Our grant-making policy

Macmillan develops cancer services in partnership with other organisations, particularly the NHS. Macmillan has a team of development managers who work with partner organisations in their locality to develop the requirements for the service, negotiate the funding for the service (usually Macmillan will fund the service for three years and then the partner organisation will pick up the ongoing funding); recruit the professional to deliver the service and monitor the ongoing delivery of the service.

We also give Macmillan Grants to individuals in financial hardship, something we have done ever since we were founded nearly 100 years ago. Typically grants are £300-£400 and they offer people a speedy financial lifeline when serious financial problems connected with cancer arise. A grant enables people to purchase essential items like a new washing machine or fridge or services, for example additional heating for people who feel the cold because of their treatment. In 2008 over 23,500 people received grants totalling nearly £8.7 million.

GOVERNANCE

Powers and delegations

Under Macmillan's Articles of Association, and subject to certain matters reserved to the Members in General Meeting, the Board holds all of Macmillan's powers and authorities. The Board meets regularly during the year to consider, determine and review Macmillan's strategies and policies and to receive reports from senior managers. The Board has delegated some of its powers and responsibilities to its Finance and Legal Committee, Audit Committee and Remuneration Committee.

The Board has also delegated authority for certain matters to the Chief Executive and authorised sub-delegation by the Chief Executive to Executive Directors and other staff.

The Board is also advised about all aspects of its policy and work and, in particular, the views and opinions of Macmillan's Members, by its Council. Members of Council are appointed by the Board for a three-year term and must be Macmillan Members.

Macmillan has its UK office in London, and national and regional offices in Scotland, Wales, Northern Ireland and the English regions.

Number of meetings held in 2007:

Board of Trustees	9
Finance and legal committee	9
Remuneration committee	3
Audit committee	7
Council	2

Statement of responsibilities of the Trustees

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom General Accepted Accounting Practice.

Company law requires the Trustees (who are also company directors) to prepare accounts which give a true and fair view of the state of affairs of Macmillan and the Macmillan Group and of the surplus or deficit of income over expenditure of the Macmillan Group for the period. In the presentation of these accounts the Trustees must make judgements and estimates

that are reasonable and prudent, follow suitable and consistent accounting policies and standards, which are applicable for a going concern (and in particular the Statement of Recommended Practice for charity accounting), disclosing and explaining any material departure from these policies and standards.

The Trustees are also responsible for keeping proper accounting records in accordance with company law, for safeguarding Macmillan's assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees have overall responsibility for Macmillan's internal controls and the Audit Committee reviews internal risks and monitors the performance of management in controlling these risks.

In accordance with company law, as Macmillan's Trustees, we certify that:

So far as we are aware, there is no relevant audit information of which Macmillan's auditors are unaware; and we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that Macmillan's auditors are aware of that information.

The Trustees

The Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Tara Donnelly

Dr Derek Douglas CBE

Jamie Dundas (Chairman)

Dr David Evered

Susan Kirk

Judith Lancaster

Kenneth Lacey (appt: 13 December 2007)

Joe MacHale (Treasurer)

Julia Palca

Sir Joseph Pilling KCB

Simon Prior-Palmer

Professor Amanda-Jane Ramirez

(appt: 1 May 2008)

Dr Maurice Slevin MD FRCP (appt: 1 May 2008)

Priscilla Snowball

Dr Gareth Tuckwell

Susan Kirk, Julia Palca and Priscilla Snowball retire from the Board at the forthcoming Annual General Meeting and they offer themselves for re-election for a further three-year term. The Board appointed Kenneth Lacey on 13 December 2007 and Maurice Slevin and Amanda-Jane Ramirez on 1 May 2008. They offer themselves for election at the forthcoming Annual General Meeting.

Appointment and induction of the Trustees

The Trustees of the Charity are the Members of the Board. Members of the Board 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.

For new Trustees, Macmillan has a wide-ranging induction training programme, which is also open to existing Trustees to attend. The programme, which is presented by both the officers of Macmillan and its outside advisors, includes site visits, covers the aims of the organisation, how these are put into effect and the role of the Trustees.

Internal controls and risk management

Macmillan has a comprehensive annual planning and budgeting process which is approved by the Trustees. Planning is based on assessment by Macmillan's regional and UK management of the need for local and national improvement in cancer services, and of the readiness to act of our prospective partners in health and social care. Long-range planning has been introduced, which scans a 10-year horizon to anticipate major changes in cancer, its impact,

treatment and care and the ageing population.

There is a system of financial reporting which compares actual results against the phased budget on a monthly basis. Internal controls are subject to regular review by Macmillan's Internal Audit team, which carries out a programme of cyclical reviews throughout Macmillan and reports regularly to the Audit Committee.

As part of the annual planning and budgeting process, Macmillan prepares a risk management plan. This identifies the most significant risks to the implementation of the corporate strategy, orders them by likelihood of occurrence and impact, indicates what action is in hand or planned to mitigate each risk, and names the Executive Director responsible for taking and monitoring the action.

During 2007 the risk management plan was reviewed, key risks were considered and necessary action was taken. This was reported to the Finance and Legal Committee. The risk management plan is reviewed each year as a part of the planning and budgeting process.

Membership

The Members of Macmillan Cancer Support are entitled to attend its Annual General Meeting and vote on important decisions affecting Macmillan. Macmillan's volunteers, staff, 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. Honorary Life Membership is awarded by the Board to those who have given outstanding support and service to Macmillan. Members guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2007 was 10,782 (compared to 11,431 in 2006).

FURTHER INFORMATION

Employment policies and involvement

Macmillan's policy is to recruit, employ and develop staff, without discrimination, on the basis of their relevant qualifications, knowledge and experience.

Macmillan operates a policy of equal pay and aims to ensure that salaries reflect the knowledge, skills, responsibilities and personal competency required for the satisfactory performance of each job. Salaries are also set in the context of the jobs market and comparisons are made with similar jobs in other charities and relevant organisations. Salaries are monitored by the Remuneration Committee.

Macmillan operates a Staff Consultation Forum comprising 26 representatives from across the charity who meet four times a year and whose views are reported at Executive Management Team meetings.

Trading subsidiaries

Macmillan Cancer Support has four subsidiary trading companies that are permitted to fundraise to support Macmillan's work. All of their taxable profits each year are transferred to the Charity. Macmillan Cancer Support Sales Limited sells Christmas cards and other items; Macmillan Cancer Support Trading Limited carries out fundraising events and activities; and Macmillan Cancer Support Enterprises Limited and Cancerlink are dormant companies.

Note 5 to the Accounts summarises the results of the trading subsidiaries which performed satisfactorily in 2007.

Related parties

Details of other related parties and connected organisations can be found in note 17 to the accounts.

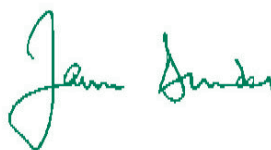
Volunteers

Volunteering makes an enormous contribution to Macmillan. In 2007, approximately 20,000 volunteers supported our work, through fundraising, care and administration. Just a few of the many different tasks undertaken by volunteers include serving on the Council and committees, providing listening skills and complementary therapies, running events, being librarians and drivers and staffing the Macmillan CancerLine. Without this huge army of support, Macmillan would not be the organisation it is today.

Auditors

BDO Stoy Hayward LLP are the Group and Charity's auditors. A resolution will be proposed at the Annual General Meeting that BDO Stoy Hayward LLP be appointed as the Group and Charity's auditors for the ensuing year.

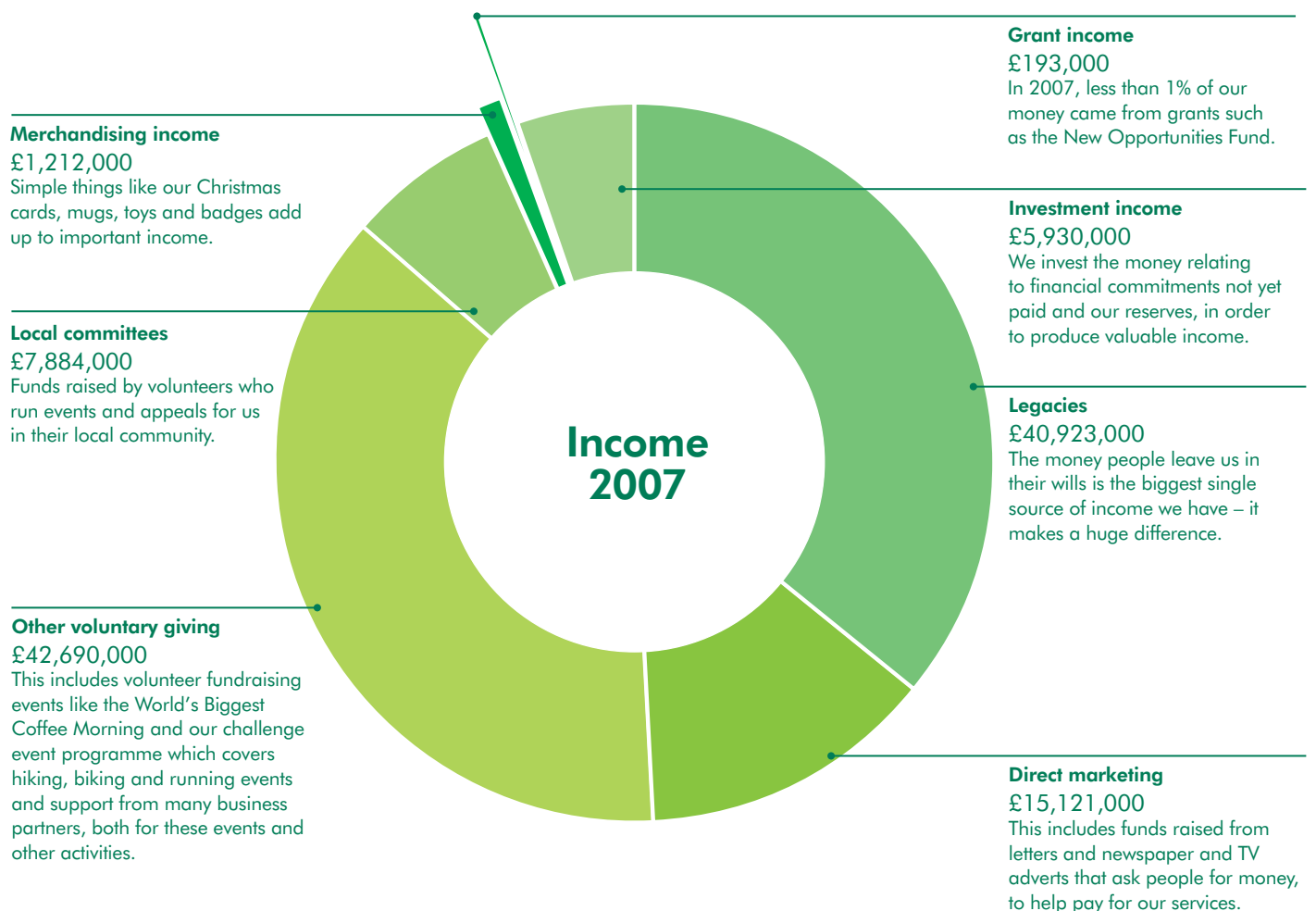
Approved by the Board of Trustees and authorised for issue on 1 May 2008.

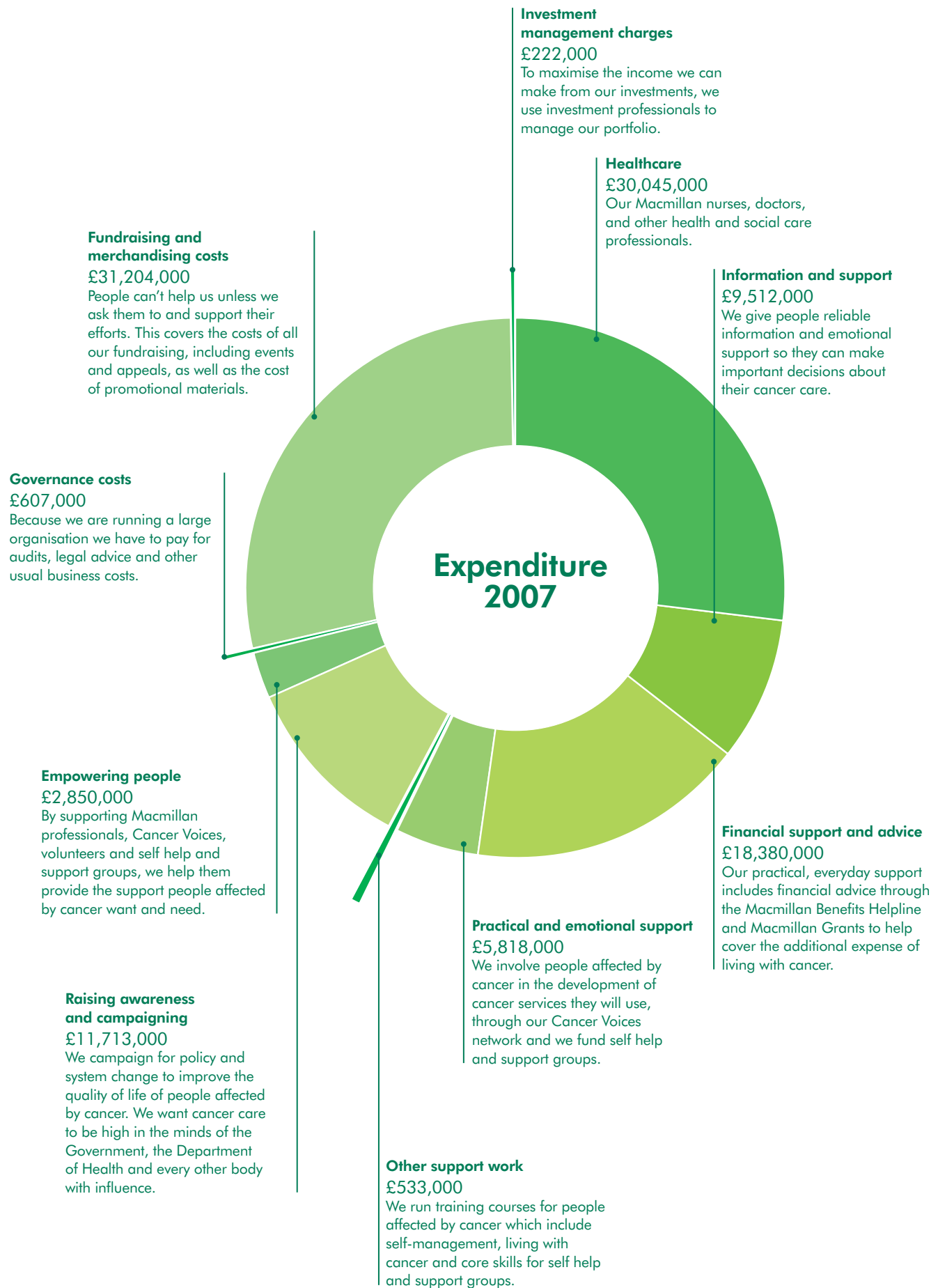


Jamie Dundas
Chairman

HOW WE RAISED AND SPENT OUR MONEY

These are some of the ways we work to ensure our financial stability, and at the same time maximise our effectiveness as a charity whose mission is to do as much as possible to help people affected by cancer.





INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MACMILLAN CANCER SUPPORT

We have audited the financial statements of Macmillan Cancer Support for the year ended 31 December 2007 which comprise the Statement of Financial Activities, the Income and Expenditure Account, the Balance Sheets, the Cash Flow Statement and related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Trustees and auditors

The Trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and the group at 31 December 2007, and of the group's incoming resources and resources expended, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

BDO Stoy Hayward LLP

Chartered Accountants & Registered Auditors
Epsom, Surrey
1 May 2008

Consolidated statement of financial activities

For the year ended 31 December 2007 (including an income and expenditure account)

	Note	Unrestricted £'000	Restricted £'000	2007 Total £'000	2006 Total £'000
Incoming resources					
Incoming resources from generated funds:					
Legacy income		32,760	8,163	40,923	38,343
Voluntary income	2	50,743	14,952	65,695	58,023
Merchandising income		1,212	–	1,212	1,261
Total fundraising income		84,715	23,115	107,830	97,627
Grant income	3	–	193	193	674
Investment income	4	5,930	–	5,930	4,573
Total incoming resources		90,645	23,308	113,953	102,874
Resources expended					
Costs of generating funds:					
Cost of generating voluntary and legacy income	6	26,430	4,087	30,517	29,709
Merchandising costs		687	–	687	754
Total fundraising costs		27,117	4,087	31,204	30,463
Investment management costs		222	–	222	215
Total cost of generating funds		27,339	4,087	31,426	30,678
Net incoming resources available for charitable application		63,306	19,221	82,527	72,196
Charitable expenditure					
Source of support	7	43,436	20,852	64,288	55,457
Force for change	7	14,170	393	14,563	10,268
Governance	6	607	–	607	663
Charitable expenditure	7	58,213	21,245	79,458	66,388
Total resources expended	6	85,552	25,332	110,884	97,066
Net income/(expenditure) for the year	8	5,093	(2,024)	3,069	5,808
Transfers between funds	16	(1,746)	1,746	–	–
Net incoming/(outgoing) resources		3,347	(278)	3,069	5,808
Net gains on investments	11	1,018	–	1,018	3,472
Actuarial (loss)/gain on defined benefit pension scheme	19	(445)	–	(445)	380
Net movement in funds		3,920	(278)	3,642	9,660
Fund balances brought forward at 1 January		39,584	14,367	53,951	44,291
Fund balances carried forward at 31 December		43,504	14,089	57,593	53,951

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 16 to the financial statements. The notes on pages 30-45 form part of these financial statements.

Balance sheets

31 December 2007

	Note	Group 2007 £'000	Group 2006 £'000	Charity 2007 £'000	Charity 2006 £'000
Fixed assets					
Tangible fixed assets	10	993	973	993	973
Investments	11	34,891	34,512	34,891	34,512
		35,884	35,485	35,884	35,485
Current assets					
Debtors	12	25,620	23,091	26,176	23,526
Short-term deposits		92,996	80,375	92,996	80,375
Cash at bank and in hand		13,228	11,934	12,453	11,382
		131,844	115,400	131,625	115,283
Creditors: amounts falling due within 1 year					
Grants committed not yet paid	13	(37,435)	(35,583)	(37,435)	(35,583)
Other creditors	14	(4,769)	(4,082)	(4,551)	(3,966)
Net current assets		89,640	75,735	89,639	75,734
Total assets less current liabilities		125,524	111,220	125,523	111,219
Creditors: amounts falling due after more than 1 year					
Grants committed not yet paid	13	(64,737)	(54,675)	(64,737)	(54,675)
Pension scheme funding deficit	19	(3,194)	(2,594)	(3,194)	(2,594)
Net assets	15	57,593	53,951	57,592	53,950
Funds					
Restricted funds		14,089	14,367	14,089	14,367
Unrestricted funds:					
Investment revaluation reserve		2,802	6,590	2,802	6,590
Other general funds		39,414	29,414	39,413	29,413
Total general funds		42,216	36,004	42,215	36,003
Designated funds		4,482	6,174	4,482	6,174
Pension scheme deficit		(3,194)	(2,594)	(3,194)	(2,594)
Total unrestricted funds		43,504	39,584	43,503	39,583
Total funds	16	57,593	53,951	57,592	53,950

The notes on pages 30-45 form part of these financial statements.

Approved by the Board of Trustees and authorised for issue on 1 May 2008



Jamie Dundas, Chairman



Joe MacHale, Treasurer

Consolidated cash flow statement

31 December 2007

	Note	2007 £'000	2006 £'000
Net incoming resources for year		3,069	5,808
Adjustments to exclude non-cash items and investment income			
Depreciation	10	332	368
Donated shares retained	11	–	(121)
Increase in grant commitments and other creditors	13, 14	13,201	2,946
Pension actuarial (loss)/gain	19	(445)	380
(Increase) in debtors	12	(2,529)	(733)
Investment income		(5,930)	(4,573)
Net cash inflow from operating activities		7,698	4,075
Returns on investment and servicing of finance			
Investment income		5,930	4,573
Capital expenditure and financial investments			
Purchase of tangible fixed assets	10	(352)	(218)
Payments to acquire investments	11	(16,971)	(13,203)
Proceeds from sales of investments	11	19,109	12,563
Change in accrued investment income	11	39	29
(Increase)/decrease in cash and short-term deposits held with investment manager	11	(1,538)	873
Increase in combined cash and short-term deposits		13,915	8,692
Management of liquid resources			
(Increase) in short-term deposits		(12,621)	(6,509)
Increase in cash in the year		1,294	2,183
		2007 £'000	2006 £'000
Cash		13,228	11,934
Short-term deposits		92,996	80,375
Total		106,224	92,309

The notes on pages 30-45 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2007

1 Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention, modified to include the revaluation of investments to market value, and in accordance with applicable accounting standards, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities 2005" and the Companies Act 1985.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary companies Macmillan Cancer Support Sales Limited and Macmillan Cancer Support Trading Limited on a line by line basis. A separate Statement of Financial Activities for the charity itself is not presented as allowed by section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005. The income of the parent charity was £113,164,000 (2006: £102,075,000) and the expenditure was £110,087,000 (2006: £96,295,000).

Incoming resources

Voluntary income

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable. Donated services and facilities are valued and brought in as income and the appropriate expenditure at the price that Macmillan estimates it would pay in the open market for an equivalent service or facility.

Legacies

Legacies are deemed to be receivable from the date of probate. Those receivable at the year end, where they can be valued, are included at 90% of probate value, reflecting the uncertainty inherent in the fact that a substantial proportion of legacy receivables represent property or other investments whose value is subject to market fluctuations until they can be realised.

Grant income

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific future period, in which case they are deferred.

Resources expended

Resources expended are recognised in the period in which they are incurred.

Grant commitments

Grants are generally made to organisations to meet employment, travelling and training costs of Macmillan professionals, to cover costs associated with buildings development and to develop carer, benefits advice and information projects. The full value of the charity's commitment to a charitable grant is recognised in the year in which the commitment is made and shown as a long or short term liability as appropriate.

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

Releases of grant commitments

There are occasions when it becomes necessary to withdraw and re-deploy a grant which has been approved in a prior year. Where re-deployment 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.

Allocation of expenditure

Resources expended are allocated to the particular activity that the cost relates to. 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.

Tangible fixed assets

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

Furniture and equipment	20%
Computer equipment	33⅓%
Software development	33⅓%
Short leasehold property	100% in year of expenditure
Freehold property	2%
Motor vehicles	20%
Leasehold improvements	over the life of the lease

Items of equipment are capitalised where the purchase price exceeds £1,000. Software development 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.

Fund accounting

Restricted, designated and general funds are separately disclosed, as set out in note 16. The different funds held are defined as follows:

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

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

General funds are available to spend at the discretion of the Trustees in furtherance of the charitable objectives of the Charity.

Leases

The Charity enters into operating leases as described in note 18. Expenditure on operating leases is charged in the Statement of Financial Activities as incurred.

Investments

Listed investments are included in the balance sheet at market value. 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. The historical cost of investments is shown in note 11 to the accounts.

Pensions

The charity operates a defined benefit pension scheme, which closed to new entrants on 30 April 2004. The charity's defined benefits scheme is accounted for in accordance with FRS 17 'Retirement Benefits'. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the Statement of Financial Activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the charity's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the Statement of Financial Activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the Statement of Financial Activities along with differences arising from experience or assumption changes.

The charity also contributes to a separate stakeholder pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. Contributions to the charity's stakeholder pension scheme are charged to the Statement of Financial Activities in the year in which they become payable.

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.

Notes to the financial statements

For the year ended 31 December 2007

2 Voluntary income

	Unrestricted £'000	Restricted £'000	2007 Total £'000	2006 Total £'000
Local fundraising committees	3,935	3,949	7,884	7,437
Fundraising events	14,674	1,217	15,891	13,448
Trusts, corporate income and general donations	16,144	9,773	25,917	22,770
Direct marketing	15,108	13	15,121	13,620
Donated services and facilities	882	–	882	748
Total	50,743	14,952	65,695	58,023

3 Grant income

	2007 Total £'000	2006 Total £'000
New Opportunities Fund:		
Barnsley Supportive Care at Home Scheme	7	144
Easington Palliative Home Carers' Scheme	16	198
Head and Neck Support and Befriending Groups	28	23
Home Ground – Integrated Rural Cancer Care Project	81	81
Palliative Care Education in Nursing Homes in Northern Ireland	21	45
Citizens' Advice Bureau Welfare Benefits Advice Service	40	–
Information for Cancer	–	11
NHS Grants	–	172
	193	674

4 Investment income

	2007 Total £'000	2006 Total £'000
Income from listed securities	883	940
Interest income	5,047	3,633
	5,930	4,573

5 Subsidiary undertakings

The Charity has four wholly-owned trading subsidiaries which are incorporated in the UK for the purposes of generating income for the charitable purposes of the Charity. All of their taxable profits each year are transferred to the Charity. The specific activity or status of each company is:

Macmillan Cancer Support Sales Limited: sale of Christmas cards and other items

Macmillan Cancer Support Trading Limited: fundraising events and activities

Macmillan Cancer Support Enterprises Limited: dormant

CancerLink: dormant

A summary of the trading results of the non-dormant companies is shown below:

	Macmillan Cancer Support Sales Limited £'000	Macmillan Cancer Support Trading Limited £'000	2007 £'000	2006 £'000
Turnover	1,235	789	2,024	1,409
Cost of sales	(265)	(101)	(366)	(356)
Gross profit	970	688	1,658	1,053
Operating expenses	(426)	(3)	(429)	(466)
Interest receivable	23	8	31	30
Net profit	567	693	1,260	617
Costs recharged, licence fee and interest paid to Charity	(236)	(194)	(430)	(255)
Profit on ordinary activities	331	499	830	362
Amount transferred to Charity	(331)	(499)	(830)	(362)
Profit for financial year	–	–	–	–
Funds balance at 31 December 2006	1	–	1	1
Funds balance at 31 December 2007	1	–	1	1

Notes to the financial statements

For the year ended 31 December 2007

6 Expenditure

	Grants £'000	Direct staff costs £'000	Other direct costs £'000	Apportioned support costs £'000	2007 £'000	2006 £'000
Source of support (Note 7)	51,888	6,276	3,096	3,028	64,288	55,457
Force for change (Note 7)	3,464	1,497	8,020	1,582	14,563	10,268
Governance (Note 7)	–	353	119	135	607	663
Total charitable expenditure	55,352	8,126	11,235	4,745	79,458	66,388
Cost of generating voluntary and legacy income	–	9,288	13,347	7,882	30,517	29,709
Merchandising costs	–	–	687	–	687	754
Investment management fees	–	–	222	–	222	215
Total expenditure	55,352	17,414	25,491	12,627	110,884	97,066

Other direct costs associated with generating voluntary income include direct event costs, travel and accommodation for fundraisers, rent and rates and office costs for regional fundraising offices.

Analysis of apportioned support costs	Human Resources & Facilities £'000	IT £'000	Finance, Legal & Secretariat £'000	Policy & Communications £'000	2007 £'000	2006 £'000
Source of support	1,386	549	461	632	3,028	3,826
Force for change	724	287	241	330	1,582	1,130
Governance	62	24	21	28	135	155
Cost of generating voluntary and legacy income	3,608	1,429	1,200	1,645	7,882	7,239
	5,780	2,289	1,923	2,635	12,627	12,350

Support costs, including staff costs, were apportioned to activities on the basis of headcount in each of the departments supporting the various activities.

Analysis of governance costs	2007 £'000	2006 £'000
Staff costs	352	321
External audit fees	56	49
Board and Council meeting expenses	14	13
AGM costs	9	77
Legal and other costs	176	203
	607	663

7 Analysis of charitable expenditure

	Staff costs £'000	Grants £'000	Other costs £'000	2007 £'000	2006 £'000
Source of support					
Healthcare					
Macmillan nurses	1,638	12,542	343	14,523	8,790
Macmillan doctors	4	34	1	39	(3)
Macmillan allied health professionals	697	5,337	145	6,179	5,040
Treatment and care buildings	628	4,664	330	5,622	4,669
Day and in patient care	39	299	8	346	838
Clinical service grants	376	2,881	79	3,336	3,310
Information and Support					
Information services	742	5,112	1,380	7,234	7,290
Mobile Macmillan cancer information centres	317	–	550	867	676
Macmillan CancerLine	500	–	233	733	632
Information buildings	76	586	16	678	418
Financial Support and advice					
Macmillan grants	1,128	8,640	235	10,003	9,890
Macmillan benefits advice projects	887	6,789	185	7,861	7,281
Macmillan benefits helpline	410	–	106	516	450
Practical and emotional support					
Macmillan carer/befriending schemes	481	3,681	100	4,262	3,980
Macmillan social workers and social care schemes	137	1,005	93	1,235	1,311
Cancer self help and support groups	33	165	123	321	392
Other					
Associated charities	20	153	4	177	193
Learning and development for people affected by cancer	30	–	326	356	300
	8,143	51,888	4,257	64,288	55,457
Force for change					
Raising awareness and campaigning					
Involving people affected by cancer in developing Macmillan and NHS services	84	137	401	622	1,162
Policy and campaigning	389	–	1,284	1,673	1,588
Public education and awareness raising	714	–	4,697	5,411	899
Research to improve cancer services	410	1,824	722	2,956	2,495
Empowering People					
GP educators and facilitators	127	655	130	912	1,586
Learning and development for Macmillan professionals	246	876	667	1,789	1,928
Macmillan Cancer Voices	18	–	131	149	270
Other					
Macmillan partnership projects	24	(28)	188	184	340
Charitable systems development	461	–	406	867	–
	2,473	3,464	8,626	14,563	10,268
Governance costs	436	–	171	607	663
Total charitable expenditure	11,052	55,352	13,054	79,458	66,388

New grants committed in the year are recognised as charitable expenditure in the year in which they are made and are shown above. The grants figure shown above comprises both multi-year grants where the full cost is recognised on the balance sheet 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 £46,712,000 (2006: £38,938,000). Grants to individuals totalled £8,640,000 (2006: £8,175,000). A full list of the grants made to institutions and partner organisations are disclosed in a separate publication which is available from the Charity's registered office.

Notes to the financial statements

For the year ended 31 December 2007

8 Net incoming/(outgoing) resources for the year

This is stated after charging:

	2007 £'000	2006 £'000
Depreciation	332	368
Auditors' remuneration		
Audit	56	49
Tax services	–	(38)
Operating lease rentals		
Property	2,035	1,964

No Trustee has received any remuneration from the Group during the year (2006: nil). The total amount of expenses reimbursed to the Trustees during the year was £838 (2006: £1,200). The number of Trustees who were reimbursed was 4 (2006: 4)

9 Staff costs and numbers

Staff costs were as follows:

	2007 £'000	2006 £'000
Salaries and wages	20,895	19,612
Agency staff costs	669	756
Employers National Insurance contributions	2,089	1,974
Pension costs	1,007	1,202
	24,660	23,544

The number of employees who earned £60,000 or more (excluding pension) were:

	2007 No.	2006 No.
£60,001 – £70,000	6	4
£70,001 – £80,000	5	5
£80,001 – £90,000	5	1
£90,001 – £100,000	–	1
£110,001 – £120,000	–	1
£120,001 – £130,000	1	–

Retirement benefits are accruing under defined benefit schemes for 12 (2006: 9) higher paid employees. Contributions totalling £25,324 (2006: £28,941) were made to a stakeholder scheme for 5 (2006: 3) higher paid employees.

The average number of staff employed during the year was 694 (2006: 679) which includes 132 (2006: 118) part time staff. The average number of full time equivalent (FTE) staff employed during the year was 647 (2006: 632). The average FTE is analysed by function as follows:

	2007 No.	2006 No.
Fundraising	404	370
Source of support	155	196
Force for change	81	58
Governance	7	8
	647	632

10 Tangible fixed assets

The Group and Charity

	Motor vehicles £'000	Leasehold property & improvements £'000	Freehold property £'000	Computer equipment & systems £'000	Furniture & equipment £'000	Total £'000
Cost						
At 1 January 2007	81	684	95	2,001	825	3,686
Additions in year	167	54	–	99	32	352
At 31 December 2007	248	738	95	2,100	857	4,038
Depreciation						
At 1 January 2007	12	254	12	1,707	728	2,713
Charge for year	16	45	2	230	39	332
At 31 December 2007	28	299	14	1,937	767	3,045
Net book value						
At 31 December 2007	220	439	81	163	90	993
At 31 December 2006	69	430	83	294	97	973

11 Investments

The Group and Charity

	2007 £'000	2006 £'000
Market value at 1 January	34,512	31,181
Purchased acquisitions	16,971	13,203
Shares acquired via legacies and gifts	–	121
Disposal proceeds	(19,109)	(12,563)
Change in accrued income	(39)	(29)
Increase/(decrease) in cash and short term deposits	1,538	(873)
Unrealised gain	1,018	3,472
Market value at 31 December	34,891	34,512
Historic cost at 31 December	32,089	27,923
Investments comprise:	2007 £'000	2006 £'000
UK listed	12,159	23,802
Non-UK listed	20,641	9,569
UK non-listed	155	155
Non-UK Private Equity	223	45
Cash and short term deposits	1,713	941
	34,891	34,512

Listed investments include £15,844,479 (2006: £22,304,283) of direct holdings. The balance of £16,954,898 (2006: £11,066,806) is held in investment funds and unit trusts the majority of which are property, equity hedge funds or multiple hedge funds.

Investments representing over 5% by value of the portfolio comprise:	2007 £'000
UBS Triton Property Unit Trust	2,190
JPM Sterling Liquidity Fund	1,764

Notes to the financial statements

For the year ended 31 December 2007

12 Debtors

	Group 2007 £'000	Group 2006 £'000	Charity 2007 £'000	Charity 2006 £'000
Accrued legacy income	20,447	20,181	20,447	20,181
Prepayments and other accrued income	3,694	1,828	2,947	1,407
Income tax recoverable	754	467	754	467
Trade debtors	311	321	–	–
Amount due from subsidiaries	–	–	1,757	1,253
Sundry debtors	414	294	271	218
	25,620	23,091	26,176	23,526

Included within the amount due from subsidiaries are two loans to the Charity's trading subsidiaries. £30,000 (2006: £40,000) has been loaned to Macmillan Cancer Support Trading Limited and £200,000 (2006: £200,000) has been loaned to Macmillan Cancer Support Sales Limited. Interest is payable on the loans and is calculated at base rate plus 2%. The loans are repayable by 31 December 2010, and are secured by a first ranking debenture dated 28 July 1999 containing fixed and floating charges over all the assets of the subsidiary companies.

13 Grants committed not yet paid

The Group and Charity	Macmillan professionals' grants £'000	Buildings £'000	Other £'000	2007 Total £'000	2006 Total £'000
Commitments at 1 January	58,421	8,105	23,732	90,258	86,475
Grants paid during the year	(20,508)	(3,874)	(9,529)	(33,911)	(33,076)
New grants committed during the year	27,380	5,253	15,607	48,240	40,323
Commitments released as no longer required	(2,179)	–	(236)	(2,415)	(3,464)
Commitments at 31 December	63,114	9,484	29,574	102,172	90,258
Falling due within one year	21,954	5,133	10,348	37,435	35,583
Falling due after one year	41,160	4,351	19,226	64,737	54,675
	63,114	9,484	29,574	102,172	90,258

14 Other creditors

	Group 2007 £'000	Group 2006 £'000	Charity 2007 £'000	Charity 2006 £'000
Taxation and social security	318	854	318	854
Other creditors and accruals	4,451	3,228	4,233	3,112
	4,769	4,082	4,551	3,966

15 Analysis of group net assets between funds

	Restricted funds £'000	Designated funds £'000	General funds £'000	Total funds £'000
Tangible fixed assets	–	993	–	993
Investments	–	3,489	31,402	34,891
Cash and short term deposits	58,998	–	47,226	106,224
Debtors	5,007	–	20,613	25,620
Creditors	(49,916)	–	(60,219)	(110,135)
Net assets at 31 December 2007	14,089	4,482	39,022	57,593

16 Movements in funds

	Balance 1 January 2007 £'000	Incoming resources £'000	Outgoing resources £'000	Gains on investments & actuarial loss on pension scheme £'000	Transfers £'000	Balance 31 December 2007 £'000
Restricted funds:						
Local appeals	5,421	11,571	(15,463)	–	1,746	3,275
Other funds	8,946	11,737	(9,869)	–	–	10,814
Total restricted funds	14,367	23,308	(25,332)	–	1,746	14,089
Unrestricted funds:						
Investment revaluation reserve	6,590	–	–	–	(3,788)	2,802
Other general funds	29,414	90,645	(83,647)	1,018	1,984	39,414
Total general funds	36,004	90,645	(83,647)	1,018	(1,804)	42,216
Designated funds						
Fixed asset fund	973	–	–	–	20	993
Market fluctuations fund	3,451	–	–	–	38	3,489
Perth Royal Infirmary Palliative Care Unit	1,000	–	(1,000)	–	–	–
Lung cancer care research	750	–	(750)	–	–	–
Total designated funds	6,174	–	(1,750)	–	58	4,482
Pension scheme deficit	(2,594)	–	(155)	(445)	–	(3,194)
Total unrestricted funds	39,584	90,645	(85,552)	573	(1,746)	43,504
Total funds	53,951	113,953	(110,884)	573	–	57,593

Notes to the financial statements

For the year ended 31 December 2007

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 £83,405 (2006: £0) was 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.

At the same time, 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 £10,693,888 (2006: £14,400,740). Appeals in deficit totalled £7,419,538 (2006: £8,979,605). A transfer of £1,600,000 has been made between general and restricted funds representing appeal costs which are supported by general funds.

Other funds

Other restricted funds comprise income for specific Macmillan activities. At 31 December 2007, the balance of £10,814,200 (2006: £8,946,710) is made up of:

Healthcare and information funds

£7,306,319

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.

Financial, practical and emotional support funds

£3,507,881

Income which has been restricted to these funds has come from a variety of sources and is restricted either to financial support or practical and emotional support including carer schemes and social work. Much of this income is restricted to a geographical area only 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.

Purposes of designated funds

Fixed asset fund

The fixed asset fund represents the value of general funds invested in fixed assets which are not, by the nature of fixed assets readily available for use for other purposes. The transfer of £20,000 to this fund makes the value of the fund equal to the net book value of the fixed assets at 31 December 2007.

Market fluctuations fund

The market fluctuations fund is calculated as 10% of the market value of the Charity's investments and is set aside to allow for fluctuations in the market value of investments. The transfer of £38,000 to this fund is an adjustment to bring the fund in line with 10% of the market value of the investments at 31 December 2007.

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 of £3,788,000 from this fund is an adjustment to decrease the fund to the difference between market value and historic cost at 31 December 2007.

Pension scheme deficit

The pension scheme deficit reserve is the FRS17 deficit calculated by the Charity's actuary as at 31 December 2007. Each year the reserve is adjusted for the movement on the deficit.

17 Related party transactions

Professor Jessica Corner is the Chief Clinician at Macmillan Cancer Support. She is seconded for 80% of her time from the University of Southampton's School of Nursing and Midwifery. During the year, payments of £249,900 (2006: £248,875) were made by Macmillan in respect of the Macmillan Research Unit, a programme of research for people affected by cancer, which is based at the University of Southampton. In addition, £25,403 (2006: £10,701) was paid to the University to evaluate the service provided by the Mobile Macmillan Information Centre and £27,936 towards a scoping study about older women's experience of breast cancer.

The Charity 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 2005 the Charity made a commitment of £750,000 to contribute to the funding of collaborative partnerships in Supportive and Palliative Care (SuPaC)

until June 2012 (the total funding was £5million from five NCRI member organisations). It also made a grant of £10,482 (2006: £13,109) to help fund the Institute's annual conference. The husband of Professor Corner (Macmillan's Chief Clinician) is Research Coordinator to the Cancer Experiences Collaborative, which is one of two SuPaC collaborative partnerships funded by NCRI.

The American Friends of Macmillan Cancer Support was formed in 1991 as the US affiliate of Macmillan to support its charitable programmes. The American Friends of Macmillan Cancer Support 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. The Board of Directors up to 1 May 2008 included Judy Beard, who was formerly the Director of Fundraising, Communications and Marketing at Macmillan. Amanda Bringans, Director of Fundraising at Macmillan was appointed director of the charity on 1 May 2008.

Payments to an associated charity – National Association of Laryngectomee Clubs

During the year, the Charity has made a grant of £135,357 (2006: £141,252) to the National Association of Laryngectomee Clubs, in support of the Association's activities. The grant was made on an arms length basis.

Notes to the financial statements

For the year ended 31 December 2007

18 Operating lease commitments

The charity had annual commitments at the year end under operating leases expiring as follows:

	Property 2007 £'000	Property 2006 £'000
Less than 1 year	154	517
1–5 years	738	840
Over 5 years	1,143	607
	2,035	1,964

19 Pension costs

The Charity operates a contributory, defined benefit pension scheme for employees which closed to new entrants on 30 April 2004.

From 1 May 2004, the Charity has paid contributions for eligible employees into a new stakeholder pension scheme. The assets of the defined benefit scheme are held separately from those of the charity in an independently administered fund.

The actuary has computed the following information about the financial position of the scheme as at 31 December 2007:

	2007 £'000	2006 £'000	2005 £'000
Market value of the scheme assets	19,162	17,190	14,515
Present value of scheme liabilities	(22,356)	(19,784)	(17,665)
Net (deficit)	(3,194)	(2,594)	(3,150)

The movement in the deficit during the year can be analysed as follows:

	2007 £'000	2006 £'000
(Deficit) at 1 January		(3,150)
Movement in year		
Current service cost		(1,280)
Contributions	622	944
Settlements	–	368
Other finance income	186	144
Pension contribution adjustment	(155)	176
Actuarial (loss)/gain	(445)	380
(Deficit) at 31 December	(3,194)	(2,594)

The actuarial loss for 2007 and gain for 2006 is shown on the face of the Statement of Financial Activities. It reflects the movement on the pension scheme deficit arising from changes in assumptions such as future mortality rates and future expected investment returns. The pension contribution adjustment is the difference between the actual pension contributions made in the year and the actual contributions required. The adjustment is made to staff costs and does not appear on the face of the Statement of Financial Activities.

Defined Benefit Scheme

Scheme funds are administered by 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 2004 and the following actuarial assumptions were applied:

Investment returns

• pre-retirement	6.375%
• post retirement	5.00%
Salary growth	4.75%
Pension increases	2.75%

At the valuation date, the market value of the assets was £10,548,000 and the actuarial values were sufficient to cover 90% of the benefits which had accrued to Members after allowing for future increases in earnings. The employer contribution rate for the year ending 31 December 2007 was 10% of pensionable salary. The contribution rate for the year ending 31 December 2008 has been set at 10%. The total contributions paid in the period by the Charity were £622,000 (2006: £944,000).

The next triennial valuation, as at 31 December 2007, will be completed during 2008.

For the purposes of the disclosures required under FRS17, the actuarial valuation has been updated at 31 December 2007 by a qualified actuary using the following assumptions:

	2007	2006	2005
Discount rate	5.60%	5.20%	4.80%
Rate of inflation	3.40%	3.20%	2.80%
Rate of increase in salaries	5.40%	5.20%	4.80%
Rate of increase of both pensions in payment and deferred pensions	3.40%	3.20%	2.80%

Mortality assumptions

The following mortality assumptions were applied to the FRS17 valuation:

	2007 life expectancy	2006 life expectancy
Current pensioners (using mortality table PA92mc(C=2015))		
Males at 65	21.6	19.4
Females at 65	24.4	22.4
Future pensioners (using mortality table PA92mc(C=2030))		
Males at 65	22.5	20.5
Females at 65	25.3	23.4

Notes to the financial statements

For the year ended 31 December 2007

An analysis of the scheme assets and the expected long term return rates at 31 December 2007 was as follows:

	2007 £'000	Expected rate of return	2006 £'000	Expected rate of return	2005 £'000	Expected rate of return
Equities	13,805	7.6%	13,458	7.6%	12,840	7.1%
Bonds	4,011	5.4%	3,092	5.0%	811	4.3%
Other	1,346	5.7%	1,032	5.0%	864	4.0%
	19,162		17,582		14,515	

In earlier years prior to FRS17 being applied, had pension costs been recognised in accordance with FRS17, the following components of the pension charge would have been recognised in the statement of financial activities:

	2004 £'000	2003 £'000
Expected return on assets	660	469
Interest on liabilities	(521)	(432)
Net expected return on pension assets	139	37
Current service cost	(1,407)	(1,113)
Net amount charged to Statement of Financial Activities	(1,268)	(1,076)

The following amounts have been recognised in the financial statements for the year ended 31 December 2007 under the requirements of FRS17:

	2007 £'000	2006 £'000
Expected return on assets	1,252	1,019
Interest on liabilities	(1,066)	(875)
Net expected return on pension assets	186	144
Current service cost	(963)	(1,280)
Settlements	–	368
Net amount charged to Statement of Financial Activities	(777)	(768)

	2007 £'000	2006 £'000
Actual return less expected return on scheme assets	(335)	526
Experience gain/(losses) arising on the scheme liabilities	60	(146)
Changes in assumptions underlying the present value of the scheme liabilities	(170)	–
Actuarial (loss)/gain charged to Statement of Financial Activities	(445)	380

	2006 £'000	2005 £'000	2004 £'000	2003 £'000	2002 £'000
Actual return less expected return on scheme assets	526	1,686	508	862	(1,348)
Percentage of scheme assets	3.1%	11.6%	5%	11%	23%
Experience (losses)/gains on scheme liabilities	(146)	(317)	(629)	585	(202)
Percentage of the present value of the scheme liabilities	0.7%	1.8%	5%	7%	3%
Total amount recognised as actuarial gains/(losses)	380	(1,895)	(667)	564	(1,550)
Percentage of the present value of the scheme liabilities	1.9%	10.7%	6%	6%	22%

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

	2007 £'000
Fair value of plan assets at 1 January	17,582
Expected return on plan assets	1,252
Contributions	1,058
Benefits paid	(395)
Actuarial (loss)	(335)
Fair value of plan assets at 31 December	19,162

Changes in the present value of the defined benefit obligations are as follows:

	2007 £'000
Present value of obligations at 1 January	20,176
Current service cost	1,399
Past service costs	–
Interest on obligations	1,066
Benefits paid	(395)
Actuarial gain	110
Present value of obligations at 31 December	22,356

Legal and administrative details

For the year ended 31 December 2007

Status

The organisation is a charitable company limited by guarantee, incorporated on 30 June 1989 and registered as a charity on 21 June 1989.

Governing document

The organisation was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association.

Company number

2400969

Charity number

261017

Registered office and operational address

89 Albert Embankment
London SE1 7UQ

Patron

HRH The Prince of Wales

President

The Countess of Halifax

Deputy President

Richard Hambro

Chairman

Jamie Dundas

Treasurer

Joe MacHale

Company Secretary

Victoria Benson

Chief Executive

Ciarán Devane

Senior Management Team

Fundraising

Amanda Bringans

Scotland and Northern Ireland

Elspeth Atkinson

Improving Cancer Services

Simon Oberst

East Midlands and Northern England

Maureen Rutter

Chief Clinician

Jessica Corner

London, Anglia and South East England

Stephen Richards

Finance, ICT and Facilities

Chris Hunt

Central and South West England and Wales

Jeff Faulkner

External Affairs

Lynda Thomas and Hilary Cross

General Manager for Northern Ireland

Heather Monteverde

Corporate Development

Juliet Bouverie

General Manager for Wales

Cath Lindley

Bankers

Lloyds TSB Bank Plc
33-33a King's Road
London SW3 4LX

Co-operative Bank
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9 Prescot Street
London E1 8BE

Bank of Scotland
Frederick Street Branch
69 George Street
Edinburgh EH2 2JG

Lloyds TSB Bank Plc
33 High Street
Cowbridge
Vale of Glamorgan CF71 7AE

Bank of Ireland
Connswater Branch
422 Newtonwards Road
Belfast BT4 1HJ

Solicitors

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16 Old Bailey
London EC4M 7EG

Property advisers

Nelson Bakewell
28 Sackville Street
London
W15 3HQ

Investment managers

JP Morgan Private Bank
125 London Wall
London
EC2Y 5AJ

Auditors

BDO Stoy Hayward LLP
Chartered accountants and registered auditors
Emerald House
East Street
Epsom
Surrey KT17 1HS

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For further copies, call us on 0800 500 800
or visit www.be.macmillan.org.uk

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CancerLine 0808 808 2020
www.macmillan.org.uk

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