HELPING MORE PEOPLE HAVE GOOD DAYS

WE ARE MACMILLAN CANCER SUPPORT
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Chairman’s introduction

Cancer, with all its challenges, made no allowances for the recession and economic difficulties of 2009. Through the year more people than ever before have called on Macmillan’s support to help them cope, whether medically, emotionally or financially. All forecasts suggest that this trend will continue, and we want to be there for everyone who needs our help.

Difficult as 2009 certainly was, I’m happy to say that it was also a remarkable year of progress for Macmillan. The generosity of our supporters and the hard work of our fundraising teams brought in income of £119.3 million, a fraction more than the record figure achieved in 2008 in easier times. This very strong result in turn underpinned our ability to spend more on charitable support than ever before, meaning more Macmillan nurses, more specialist buildings, more information, more campaigning for better cancer services, and more partnering with the NHS and governments across the UK. You will find much more detail about our activities, the impact we have had, our financial position and our plans for 2010 in the pages which follow.

Regular readers of Macmillan’s reports will know that there are about two million people living in the UK with or beyond a cancer diagnosis, and that number is steadily rising. Our ambition is to reach and improve the lives of everyone living with cancer. We have long known that to achieve that scale of reach, we would have to complement our traditional face-to-face services, such as the nurses, with widely distributed information and intelligent use of the web and other technologies. Moreover, we knew we would need to make it much easier for people affected by cancer to know about us, find us, and make use of our support. Many of the steps and investments we’ve made to meet those objectives came together to bear real fruit in 2009. Building on the success of the Cancerbackup merger in 2008, we have massively multiplied our distribution of high-quality cancer information, all now available free to patients, carers and medical professionals. Our new website has become a vital source of support in its own right. Our consolidated and expanded telephone service, launched on 1 October, was used by over 25,000 people in its first three months. In parallel, to make people aware of how we can help and how to find us, we’ve been investing in our brand and our communications with the public. We do this to reach and help people with cancer, not to win awards; but it was nice nonetheless to be voted the best UK charity brand by the Charity Brand Index 2009.

So 2009 has actually been a very good year, both for our traditional support services and for the exciting new developments we’ve been able to deploy. Looking ahead, with public finances likely to be tight, we expect our contribution to improving cancer services to be even more important than ever. In particular, we believe more and better care in the community, not only for cancer but for other chronic diseases as well, will become ever more needed and we are excited about the role we can play in helping to develop it.

The Board of Trustees was unchanged during 2009 save for the departure of Dr Maurice Slaven in September. We are grateful for Maurice’s contribution, especially regarding the merger with Cancerbackup which has been a great success.

My thanks on behalf of all our beneficiaries go to all our donors, on whose generosity we are utterly dependent; also to all our volunteers, corporate partners and other supporters; to our hard-working staff; and finally to our patron, our president and all of our trustees, each one of whom is of course him or herself a volunteer in our cause.

Jamie Dundas
Chairman

Macmillan has had a good year. Maintaining our income in a difficult climate was pleasing, as was increasing charitable expenditure to £81.3 million – the highest ever. More energy and more innovation were needed from our volunteers, our staff and our partners for us to achieve this. We ended 2009 in good shape, ready for what will remain a difficult climate.

No matter who you are, where you live, or which cancer you have, you should get the best treatment, care and support. Each of our programmes, in all four nations of the UK, delivered services which not only increased the number of people Macmillan supports but introduced new services which demonstrate what the best cancer services should look like.

We funded new specialist nurse posts for more difficult cancers such as head and neck cancer. Our doctors are working to improve diagnosis, treatment, long-term care and end of life care. We are funding pilot posts to better support cancer patients with learning difficulties.

Our financial programme helped people affected by cancer access £100 million in unidentified benefits. In this way, we ensured that they could concentrate on getting better rather than on money worries. Our information and support programme launched its new telephone service with 80 staff in October (on 0808 808 00 00). Our new online community already has over 40,000 active members.

In partnership with the Department of Health, we developed the first scheme that assesses physical environments in which people are treated. The Macmillan Quality Environment Mark recognises exemplary cancer environments – allowing us to share our expertise in providing the best chemotherapy suites, information centres and palliative care units, and setting the standard to which all cancer units should aspire.

All in all, we are working hard to reach every one of the two million people living with cancer in the UK. Whether it is the direct support of our health professionals who provide the best care, our information to help make good decisions, our financial advice which makes sure that bill was paid, or our expertise which shapes the standards of care, we hope we have done something to improve the life of everyone living with cancer.

Our greatest challenge remains. It is to ensure that each of the two million people living with a cancer diagnosis gets the support which is right for them at each and every point of their cancer journey. To determine how to achieve that, we are looking at Macmillan’s future strategy. We are examining how rising incidence will affect cancer services, how many patients in each area of the country will have particular difficulties, what the best models of care are, including how people can be supported at home and crucially, given the state of public finances, how to ensure that good care is also cost-effective care.

Our goals for 2010 therefore are twofold: to further increase the number and spread of services we develop so we can help even more people more often, and to complete our work to define the future of cancer treatment, care and support so that as we enter 2011, our centenary year, we have a clear vision for what we want to achieve in the coming years.

Finally – my thanks to all who have supported us in any way, large or small. It is because of you we are helping more people to have more good days.

Ciarán Devane
Chief Executive
‘If Hugh had been tested earlier his prostate cancer may have been caught before it spread to his bones. I’ve joined Macmillan Cancer Voices so I can use our experience to help others going through a cancer journey, and raise awareness of the importance of PSA tests. We’re hoping to set up a local support group for African-Caribbean men and their families.’

Cynthia Dwyer, 52, Warwickshire

Hugh Dwyer, 59

Hugh and Cynthia’s story

‘After three years of symptoms such as aches and pains and trouble passing water, I was diagnosed with prostate cancer in January 2009. I’d been concerned that my health wasn’t improving. My parents both died of cancer and I knew I had a family history of prostate problems.

When my back pain got worse, I went to see my GP who diagnosed severe back strain and sent me home with painkillers. But when there was no improvement and I started being sick, my wife, Cynthia, insisted I get a proper check up. I was sent to the hospital where I had a blood and prostate specific antigen (PSA) test.

A few days later my GP informed us that I had prostate cancer. Next was an appointment with the consultant, who did a biopsy and a bone scan then put me on hormone treatment.

Nine months later they discovered that a tumour was pressing on my spine. I was rushed to hospital for radiotherapy and chemotherapy, where I remained for several weeks. It was then that the Macmillan nurse came into our lives.

I work in social care so I knew what questions to ask and the type of help that’s available. It concerns me that most families with loved ones living with cancer don’t have that knowledge and are left unsupported.

I’m really keen to raise awareness of prostate cancer among the male African-Caribbean community, and highlight the importance of the PSA test. Some African-Caribbean men find it awkward to talk to their GPs about ‘male matters’ especially when there’s a chance they may have to have a rectal examination. But it could save their lives if they did. If Hugh’s GP had carried out this test earlier, it could have made all the difference – and we could have caught the cancer before it spread.

I’ve joined Macmillan as a Cancer Voice so that I can get my views out to the professionals, as well as making a positive and proactive difference.

With the help of Macmillan, Hugh and I are hoping to set up a support group for African-Caribbean men and their families in our area. There’s a lot to look forward to.’

Cynthia Dwyer, 52
In this section we describe our ambition and our areas of focus. We tell you more about what we achieved for people affected by cancer in 2009, and our plans for the future on pages 9–21. We discuss how we managed our money on pages 23–25. And on pages 30–32, you’ll find information on our governance structures and internal policies.

Our ambition
Our ambition is to reach and improve the lives of everyone living with cancer. There are currently two million people living with a cancer diagnosis in the UK, a figure rising by 3% every year due to improvements in survival rates. In 2009 we helped more people living with cancer diagnosis using our medical, information, practical, emotional and financial support services. In addition, we have influenced changes such as the introduction of free hospital parking and free prescription charges that have benefited everyone living with cancer. But while significant progress has been made, there is still a great deal to be done. We want to be there for everyone who needs our help – providing the right support when they need it, no matter who they are, where they live or which cancer they have.

How we make a difference
At Macmillan, we’re here to help from the moment someone suspects they have cancer, through their treatment and for as long as they need us and because it’s not only patients who live with cancer, we also support carers, friends and family members.

We provide vital support
We enable anyone affected by cancer to get the support they need and help them find their way through the system. Our work falls into the following four main areas:

Healthcare
Our Macmillan nurses, doctors and other health professionals play a vital role in improving quality of life for people living with cancer and their families. They plan and coordinate care, manage pain and help people deal with the social, emotional and practical impact of cancer. We fund a wide range of healthcare professionals and support their ongoing development.

Information and support
Our range of information services, including local centres, telephone services, and online and other information resources, aim to deliver all the information and support people with cancer need. We want to help people understand their illness, reduce their fears and find their way to the services and support they need. We also want to enable them to make good decisions about their treatment.

Financial help and support
Living with cancer can bring additional costs and financial worries. Macmillan Grants help people on low incomes cover a wide range of practical needs, from hospital travel fares to extra clothing. Our local benefits advisers and Welfare Rights Team help people affected by cancer get the benefits they’re entitled to, leaving them to focus on what really matters – getting well.

Practical and emotional support
Dealing with day-to-day practical issues while going through a cancer experience can be difficult for those living with cancer and their families, friends and carers. Our Macmillan social support professionals and self-help and support groups help people get the emotional and practical assistance they need.

While we manage a number of these services it is neither possible nor appropriate for us to deliver them all. We work in close partnership with the NHS and a range of other organisations, such as local authorities, Citizens Advice Bureaux and other cancer charities, to provide these services and encourage the development of more of them.

We accelerate change
We raise awareness of important issues that affect people living with cancer and push for change. We press for change that improves people’s health and wellbeing and reduces inequality and discrimination. We do this in two ways.

Campaigning for change and raising awareness
Improving the wellbeing and quality of life of those living with cancer is as important as researching treatment and cures. We involve people affected by cancer, research their needs and campaign on national and local levels. That way, we share our expertise with decision makers and improve the quality of cancer services. We take up the issues that matter to people affected by cancer and campaign for improvements in policy and how services are designed and run.

This includes pressing for better designed and more supportive cancer care buildings, increased financial support for people with cancer who are struggling with high heating bills, and more understanding about people’s long-term needs after their cancer treatment ends. We also raise awareness and understanding about who we are and what we do so that more people can access our support when they need to.

Empowering people
Our staff, including our Macmillan professionals, our volunteers, Macmillan Cancer Voices* and the self-help and support groups we support, are key to achieving our ambition of improving the lives of everyone living with cancer in the UK. We provide everyone in the Macmillan community with the information and materials they need to support people affected by cancer, raise awareness of Macmillan and push for better cancer care.

Measuring our effectiveness
To ensure we are improving the lives of everyone affected by cancer we must understand the impact of what we do. We measure the reach of all our services to understand who and how many people are benefiting from the investments we make. We also conduct evaluations of new services to measure their effectiveness. We run a programme of research that investigates the effects specific services have on addressing the needs of people living with cancer and improving their health and wellbeing.

Public benefit
We have referred to the Charity Commission’s general guidance on public benefit when reviewing achievements against our aims for 2009 and in planning our activities for 2010. This review is set out on pages 9–21.

* Macmillan Cancer Voices is a UK-wide network of people affected by cancer. They use their experience to help Macmillan and other cancer-related organisations to change the future of cancer care. See page 12 for further information.
‘I called Macmillan just before my six monthly consultation with the oncologist to talk about treatment options. The person I spoke to was so helpful and knowledgeable, and I came off the phone confident that the information was trustworthy. It meant that when I had my appointment with the specialist, I was able to have a discussion informed with the facts.’

Claire, 43, Surrey, diagnosed with breast cancer

In 2009 we aimed to expand our reach to those who most need our help by delivering more Macmillan services. Thanks to our supporters we have had another successful year. Here, we’d like to share with you what we aimed to do, what we achieved, and what we intend to do in the future.
**Healthcare posts and services**

**What we aimed for**
We planned to increase funding for lymphoedema, rehabilitation and psychological support services. We planned to clarify our range of psychological support services and develop ways in which teams of professionals can support people with rarer or complex cancers. We aimed to reach 440,000 people through Macmillan healthcare professionals.

**What we achieved**
We developed 156 new healthcare posts, bringing the total number of Macmillan healthcare professionals to 4,221, including services for lymphoedema and complex cancer services. We invested over £3 million in rehabilitation services and psychological support services but this was less than our target of just over £4 million. We started work to clarify our range of psychological support services – to be completed in 2010. We reached 431,000 people through our healthcare professionals.

**Our plans for the future**
We aim to invest our healthcare spend mainly in services that support people undergoing treatment. We will invest 28% of our healthcare spend on post-treatment services. In addition, we aim to address inequalities by piloting services for older people and funding services in head and neck, urology and lung cancer. We aim to expand our reach through our healthcare professionals by reaching 462,000 people in 2010.

**Survivorship**

**What we aimed for**
We planned to continue supporting the Department of Health’s survivorship pilots. We also planned to research the longer-term needs of, and the number of, people likely to be living with a cancer diagnosis by 2025.

**What we achieved**
We worked in partnership with the Department of Health and NHS Improvement to publish the National Cancer Survivorship Initiative (NCSI) vision and implementation plan for those living with cancer. The NCSI commissioned 28 survivorship pilots in 2009. We were involved in 90% of adult pilots and 53% of children and young people pilots. We commissioned research to better understand the needs of the two million people living with cancer and their post-treatment experiences and priorities -- findings will be available in 2010.

**Our plans for the future**
In 2010 we will continue to push policy makers and commissioners to prioritise survivorship issues. We will develop a range of pilot services to test models for post-treatment clinics, assessment and care planning and self-management and support for those returning to work after cancer treatment.

**Primary care**

**What we aimed for**
We planned to expand our network of Macmillan-funded GPs, all with the skills to educate colleagues and provide high-quality cancer and palliative care for people in their homes. We aimed to increase the uptake of our out-of-hours toolkit among commissioners and service providers.

**What we achieved**
We expanded our primary care network by investing £0.7 million in GP posts and distributing the out-of-hours toolkit to over 170 providers. This is designed to boost the quality of care for cancer and palliative care patients outside working hours.

**Our plans for the future**
In 2010 we will continue developing our network within primary care by investing in Macmillan GPs. This will build greater awareness, prompt earlier detection of cancers, increase support for survivors and implement good practice around palliative and end of life care.

**End of life care**

**What we aimed for**
We planned to invest in services to reduce inequalities in access to palliative care and commit to 15 new palliative care teams, particularly focusing on Wales and Northern Ireland. We planned to continue to lobby governments to improve end of life care provision.

**What we achieved**
We invested over £1.3 million in palliative care services, including 11 palliative care posts. Six palliative care developments were in Northern Ireland and Wales. We continued to lobby governments on end-of-life provision and, with 2010’s election, we focussed this on all political parties.

**Our plans for the future**
In 2010 we aim to lobby for an improvement in 24 hour cover, out-of-hours care and 24 hour nursing for people at the end of their lives. We will influence doctors and consultants to provide opportunities for patients to discuss end-of-life care earlier in order to improve their quality of life.

**Treatment and care buildings**

**What we aimed for**
We planned to audit the quality of cancer treatment and care buildings in the UK and raise standards. We also planned to invest in major projects in Antrim, Stockport and Northampton and to increase the proportion of our spend on new or refurbished information and support centres.

**What we achieved**
We launched our Macmillan Quality Environment Mark. In 2009 we awarded the mark to 14 cancer environments. Four building projects were completed at Derby City Hospital, Medway Maritime Hospital, Perth Royal Infirmary and Deal Royal Victoria.

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<th>Macmillan nurses</th>
<th>Other Macmillan healthcare professionals</th>
<th>Cancer treatment and care buildings</th>
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<tr>
<td>Our doctors diagnose and treat cancer and help to raise standards of cancer care through networking, influencing, teaching and research.</td>
<td>Our nurses help with symptom and pain control, they give advice and information on treatments and provide emotional support.</td>
<td>Including radiographers, physiotherapists, speech and language therapists, dietitians and psychologists.</td>
<td>Macmillan plans and builds specialist cancer care centres, including cancer treatment units and palliative care day units.</td>
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<td>11,000</td>
<td>363,000</td>
<td>77,000</td>
<td>65,000</td>
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Learning and development

What we aimed for
We aimed to improve the skills and knowledge of health and social care professionals by increasing the range of resources and access to Learn Zone. We also aimed to develop our online learning resources for staff, volunteers and people affected by cancer.

What we achieved
We trained 2,500 professionals on a range of topics, including self-management support services, sexual relationships, policy drivers, state benefits and loss and bereavement. We revised our induction programme for all new Macmillan professionals. We developed a number of online resources. Self-management training was received by 240 people and an evaluation of the Cancer Support Course was started in 2009 – to be completed in 2010.

Our plans for the future
We aim to develop a three-to-five year strategy and implementation plan which will identify the skills and knowledge needed for the future cancer workforce. In 2010, we aim to develop the skills of Macmillan professionals by providing training in leadership and management. We will expand our range of learning resources so that volunteers and professionals can better help people affected by cancer to manage the support they need.

Involving people affected by cancer

What we aimed for
We aimed to sign up 300 new Macmillan Cancer Voices in 2009, including more people from under-represented communities. We also planned to provide a wider range of options for people to get involved with Macmillan, as well as create clear roles, with appropriate training and support.

What we achieved
We recruited nearly 600 Cancer Voices in 2009 and 20% were from under-represented communities. We have developed three clear roles for Cancer Voices to take up in the future: activist, service improvement champion and advocate. More than 40 Cancer Voices applied to be service improvement champions for the Macmillan Quality Environment Mark.

Our plans for the future
We aim to have at least 70 Cancer Voices involved as activists, advocates or service improvement champions. We will work to ensure that at least 20% of all those registering as new Cancer Voices are from under-represented communities.

Volunteers

What we aimed for
We planned to develop a volunteering strategy in 2009 to strengthen support for and improve communication with existing volunteers. We hoped the strategy would help us provide a wider range of volunteering opportunities.

What we achieved
We have developed our volunteering strategy and completed work on mapping out our current use of volunteers. Two toolkits now provide extra support to Macmillan professionals working with volunteers. We engaged 230 volunteers from our corporate partners in 2009.

Our plans for the future
We aim to recruit and train 340 more volunteers in 2010. We will undertake research to understand their motivations and will put steps in place to ensure they are well supported and find their roles rewarding.

Specialist posts and services

What we aimed for
We aimed to commit funding for nine social support posts in 2009 and to reach 16,000 people through all of our social worker posts.

What we achieved
In 2009 we funded 11 social support posts and reached 19,000 people.

Our plans for the future
In 2010, we aim to bring together our community of Macmillan social workers to share learning and good practice and identify ways to develop these roles in the future.

Practical and emotional support services

What we aimed for
We aimed to spend £1.7 million on practical and emotional support services. We planned to research the needs of people affected by cancer and to press for appropriate practical and emotional services. We also planned to expand the range of services provided by volunteers. We aimed to evaluate the impact of small one-off grants on addressing the issues of the late effects of treatment for the Radiotherapy Action Group Exposure (RAGE).

What we achieved
We spent a total of £1.8 million on emotional and practical support services. A total of 16,000 people were reached through the Cancer Action Team. We aimed to recruit 340 more volunteers in 2010.

Macmillan Solutions project

What we aimed for
We planned to run and evaluate Macmillan Solutions pilots, with the intention of providing people affected by cancer with a range of tailored practical, emotional and financial support. This is a partnership between Macmillan and other community and voluntary groups.

What we achieved
In 2009 we recruited three partner organisations in Hampshire and Manchester and more than 50 volunteers have been trained to support the projects. The pilots went live in March 2010. This was later than originally planned due to the time taken to recruit partner organisations.

Our plans for the future
In 2010 we aim to improve the quality of life, independence and wellbeing of at least 1,500 people through these two volunteer-led pilot services.
Our information and support

Direct support
What we aimed for
We aimed to launch a new service to handle all telephone and email enquiries, offering medical, emotional, practical and financial support, as well as specific nursing and benefits advisers.

What we achieved
We launched our new service on 1 October 2009. Members of the public are able to access the service using one telephone number, or by email or web form. In 2009, we increased our reach by helping 10% more people through this service compared with 2008.

Our plans for the future
We will implement a quality assurance framework for the service and promote it to people affected by cancer, their carers and families. We will launch a campaign to promote our newly named Macmillan Support Line.

Local information and support services
What we aimed for
We planned to continue the development of our network of local information and support services and develop a UK-wide quality framework for new services.

What we achieved
We developed 14 new information services across the UK in 2009. A quality framework was agreed and will be implemented in 2010. We reached 218,000 people through our services.

Our plans for the future
We will enhance our network of local information services by addressing gaps and increasing access. We will also roll-out a quality assurance framework to ensure 60% of them are operating to quality standards by the end of 2010.

Mobile Macmillan Cancer Information Centres
What we aimed for
We aimed to reach 22,000 people through our two mobile cancer information centres and develop an additional smaller centre to enable us to reach more people.

What we achieved
Our mobile cancer information centres visited a total of 183 centres in 2009, reaching 25,000 people and exceeding our target. We launched a new, smaller mobile cancer information centre in September.

Our plans for the future
We aim to reach 27,000 people affected by cancer through our three mobile cancer information centres in 2010.

Online information and support
What we aimed for
We planned to complete the integration of Macmillan and Cancerbackup’s websites, following our merger in 2008. We also aimed to increase the number of website visitors and develop our forums to become the biggest online cancer community in the UK.

What we achieved
We completed the integration of the websites and launched the redesigned site in September 2009. We successfully merged two online communities, with registered users totalling over 40,000. We reached more than 3.2 million people through our website – an increase of 10% on 2008.

Our plans for the future
In 2010 we aim to provide single registration for everyone, providing them with a simpler, more personalized online experience. We also aim to enable access to information and support through new digital channels including mobile phones, videos and audio.

Information prescriptions
What we aimed for
In response to the fact that 40% of cancer patients are not offered written information on diagnosis, we aimed to work with the Department of Health to produce ‘prescribed’ information. An information prescription might include information on a specific cancer, treatment options, sources of support and other resources. We aimed for 20 cancer networks (60%) to be using a pilot system by the end of 2009.

What we achieved
By the end of 2009, 17 cancer networks were using the pilot information prescriptions system. The majority of the cancer information provided was developed by Macmillan and Cancer Research UK.

Our plans for the future
In 2010 we plan to enable 25 cancer networks to use the system. We will press for similar projects in Scotland, Northern Ireland and Wales to improve the quality and appropriateness of the information that people affected by cancer receive.

Information resources
What we aimed for
Last year we aimed to promote all our information resources and develop new ones that people affected by cancer say they need. We also aimed to secure accreditation from the Department of Health for our information resources.

People helped
Macmillan information and support centres
Provide people with cancer the chance to ask questions and talk through their concerns with specialist staff and trained volunteers.

What we achieved
We achieved our target of 183 centres in 2009, reaching 25,000 people and exceeding our target. We launched a new, smaller centre to enable us to reach more people.

Our plans for the future
We will enhance our network of local information services by addressing gaps and increasing access. We will also roll-out a quality assurance framework to ensure 60% of them are operating to quality standards by the end of 2010.

Our website
A wealth of information about Macmillan and other cancer care services, as well as cancer types and treatments, plus the opportunity to share experiences.

Direct support
Our telephone and email services are a vital source of information, providing help and support for people living with cancer and their families.

Mobile Macmillan Cancer Information Centres
Bringing confidential information and support to people in communities who may have little knowledge about cancer or Macmillan.

<table>
<thead>
<tr>
<th>People helped</th>
<th>Macmillan information and support centres</th>
<th>Our website</th>
<th>Direct support</th>
<th>Mobile Macmillan Cancer Information Centres</th>
</tr>
</thead>
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<tr>
<td></td>
<td>218,000</td>
<td>3.2 million</td>
<td>76,000</td>
<td>25,000</td>
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</table>

2009 Macmillan annual report and accounts
Macmillan Grants

What we aimed for
We planned to give grants totalling £9.1 million to 26,500 people in 2009.

What we achieved
We gave Macmillan Grants to 27,000 people. Total spend for grants was slightly below budget at £9 million, due to the disruptions during the postal strike.

Our plans for the future
We will help 29,100 people in financial hardship through Macmillan Grants totalling £9.7 million.

Local benefits advisers

What we aimed for
We planned to commit funding to 26 benefits advice posts in 2009 and to continue to ensure every person affected by cancer in the UK has access to benefits advice in 2010 and 2011.

What we achieved
We committed funding to 52 benefits advice posts in 2009, and secured an estimated total of £80 million in unclaimed benefits through our network of benefits advisers.

Our plans for the future
We will help 29,100 people in financial hardship through Macmillan Grants totalling £9.7 million.

Understanding people’s financial needs

What we aimed for
We aimed to complete research on the financial concerns of people affected by cancer to help us understand what advice they need and what inequalities exist in accessing our services.

What we achieved
Research was completed which showed that for some people the financial impact of cancer can be long-term and life changing. Early intervention by health and social care staff, access to specialist advisors, and fairer benefits and insurance were identified as ways to lessen this.

Our plans for the future
We will continue to use our research to press for the right financial support to be made available. In 2010 we aim to influence improvements to welfare benefits for people affected by cancer, in particular Employment Support Allowance.

People helped

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

£9 million

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

50,000

£80 million

in extra benefits identified

Macmillan Welfare Rights Team
Gives advice to people affected by cancer on how they can claim benefits and other financial support they are entitled to.

9,000

£20.5 million

in extra benefits identified

‘After my treatment, Macmillan’s Welfare Rights Service was a lifeline. They explained the benefits I was entitled to, filled in the forms and sent them off. When you’re being treated for cancer you can’t think about bills, but they don’t stop. Without this help, I may have lost my home.’

Bridget, 53, Bedfordshire
National cancer strategies

What we aimed for
We planned to push for implementation of our Cancer Reform Strategy priorities in England and Better Cancer Care priorities in Scotland. We also proposed to continue influencing development of the Cancer Services Framework in Northern Ireland and Designed to Tackle Cancer initiative in Wales. We aimed to influence local health commissioners and encourage local authorities and primary care trusts to work together to provide better medical, emotional, practical and financial support in the community.

What we achieved
We continued to push for appropriate support for those living with cancer in England, Scotland, Wales and Northern Ireland. We worked with the Department of Health in England to develop the National Cancer Survivorship Initiative vision. In Scotland we continued to work with the government on financial and return-to-work schemes and in Northern Ireland we successfully influenced the inclusion of survivorship in the Cancer Services Framework. We continued to lobby the Welsh Assembly Government. We held successful regional events, engaging local health commissioners, local authorities and primary care trusts with our work.

Our plans for the future
We aim to secure commitment to one of three strategies

Campaigns

What we aimed for
We planned to continue campaigning on a number of issues such as making sure people with cancer are better supported to pay fuel bills, reducing hospital car parking charges in England, and increasing access to reasonable travel insurance. We also planned to campaign on the needs and rights of people affected by cancer returning to work.

What we achieved
We secured the scrapping of hospital parking charges in Wales, Northern Ireland and Scotland. And, as a result of our campaigning, the government phased out hospital parking charges for inpatients in England – a consultation on outpatients is underway. We have had good engagement with parliamentarians on fuel poverty. We have conducted research on travel insurance which will be used in 2010 to develop appropriate products.

Our plans for the future
We plan to reduce fuel poverty for people affected by cancer by lobbying government and fuel companies. We will push the financial services sector to develop appropriate travel insurance and critical illness products. Following our success in pushing the National Institute of Health and Clinical Excellence to approve drugs such as Revlimid and Sutent in 2010, we will influence the approval of drugs for rarer cancers.

Raising awareness

What we aimed for
We aimed to increase awareness of Macmillan to 56% of people living with cancer and 36% among the general public. We also planned to deliver campaigns that would direct people to selected services, and to increase our presence on the high street. We said we would help people involved with Macmillan promote our services too.

What we achieved
We ran our Good Day awareness campaign during autumn and winter 2009. This increased awareness of Macmillan with 56% of those living with cancer, 57% of those affected by cancer and 50% of the general public now aware of our services. The campaign promoted our new phoneline and we received 50% more calls than in recent periods.

Our plans for the future
In 2010 we plan to raise awareness of the support we provide. We will particularly aim this at people affected by cancer on low incomes. We aim to respond to at least 55,000 people in this group through our website and telephone service.

Inequalities in cancer care

What we aimed for
We planned to implement a range of initiatives to help people from excluded communities obtain equal access to cancer services. We planned to research existing barriers and explore how they can be overcome. We also planned to implement the Know Your Rights programme to help people affected by cancer understand what they are entitled to.

What we achieved
We developed our inclusion strategy and implementation plan that sets out our approach to addressing the inequalities in cancer care. We supported the All Party Parliamentary Group on cancer to report on cancer inequalities. We researched the existing barriers for excluded communities in terms of experiencing high-quality services. Two test sites have been identified to pilot solutions. The Know Your Rights project influenced the National Cancer Equality Initiative action plan for all cancer networks and three pilot sites for the project were secured in 2009.

Our plans for the future
Working with our community of Cancer Voices, we will continue to identify and develop solutions for tackling inequalities in cancer care. We will further develop the Know Your Rights project by developing a human rights standard which will ensure that people affected by cancer experience fairness, respect, equality, dignity and autonomy. We aim to influence the Equality and Human Rights commission to ensure cancer features in its health and social care strategy.
Improving the way we work

What we aimed for
In 2009 we planned to make progress on developing our vision and strategy up to 2015. We wanted to clarify priorities for some of our sub-strategies and carefully monitor our 2009 corporate must-dos to remain focused on our priorities. We also planned to improve the way we monitor and manage performance.

Our plans for the future
We will continue to implement customer management across the organisation in 2010, with particular focus on our fundraising teams. We aim to improve collaborative working by piloting the use of team sites.

What we achieved
We began work on our new strategy for 2011 to 2015 in 2009. We completed the first phase of this project, which involved engaging with more than 650 individuals from different stakeholder groups. We will develop improved performance measures alongside the new strategy. Monitoring our corporate must-dos formed a key part of our regular management reporting in 2009.

Staffing and skills

What we aimed for
In 2009 we planned to develop our talent management programme to enhance individual performance and reduce turnover of staff. We aimed to improve recruitment and staff induction, act on the findings of our staff survey and continue strengthening leadership, coaching and feedback skills.

Our plans for the future
We aim to improve the skills of staff by piloting and evaluating development centres for high-performing staff, implementing succession and career management plans, and creating new forms of learning.

What we achieved
We delivered our talent management programme in 2009. Staff turnover reduced significantly during the year, as did our recruitment costs. We ran a staff survey and used the results to develop action plans to improve further our employees’ experiences and effectiveness.

Intelligence and research

What we aimed for
We planned to conduct a pilot survey in 2009 to assess people’s satisfaction with services provided by Macmillan healthcare professionals. We also aimed to improve our intelligence on the impact of our services and to consider how to measure improvements in people’s health and wellbeing. We planned to improve the quality of our research and evaluation to drive further improvement in services and policy.

What we achieved
We developed and piloted a patient experience survey with 17 healthcare services, but experienced problems in the collection of this information. We reassessed our approach to this work and implemented the Impact programme in late 2009, with the aim of providing better intelligence about Macmillan’s reach and impact. This will be delivered in 2010. In 2009 we revised our research and evaluation processes and strengthened their alignment with our strategic direction and priorities.

Our plans for the future
In 2010 we will collect better information on the reach, quality and impact of our services. This will inform better decision-making and make commissioners and policy makers aware of the positive impact they provide.

‘One day I was ready to graduate and travel the world, the next I was in hospital with cancer in my knee. It was a dark time. Then I met my Macmillan nurse. She sat up with me late at night, talked things through, listened to my fears and helped me get my head around this massive life change.’

Janine, 34, Tyne & Wear
We now have over 5,000 Macmillan posts

<table>
<thead>
<tr>
<th>Total numbers of existing Macmillan posts</th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
<th>Northern Ireland</th>
<th>2009 total</th>
<th>2008 total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nurses</td>
<td>2,843</td>
<td>301</td>
<td>128</td>
<td>71</td>
<td>3,343</td>
<td>3,242</td>
</tr>
<tr>
<td>Doctors</td>
<td>295</td>
<td>33</td>
<td>16</td>
<td>18</td>
<td>362</td>
<td>362</td>
</tr>
<tr>
<td>Allied healthcare professionals</td>
<td>432</td>
<td>36</td>
<td>35</td>
<td>13</td>
<td>516</td>
<td>461</td>
</tr>
<tr>
<td>Information posts</td>
<td>262</td>
<td>10</td>
<td>10</td>
<td>4</td>
<td>286</td>
<td>245</td>
</tr>
<tr>
<td>Social workers, family support workers</td>
<td>125</td>
<td>4</td>
<td>10</td>
<td>–</td>
<td>139</td>
<td>110</td>
</tr>
<tr>
<td>Benefits advisers, welfare rights officers</td>
<td>144</td>
<td>61</td>
<td>11</td>
<td>8</td>
<td>224</td>
<td>182</td>
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<tr>
<td>User involvement posts</td>
<td>12</td>
<td>–</td>
<td>–</td>
<td>1</td>
<td>13</td>
<td>13</td>
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<tr>
<td>Education posts</td>
<td>27</td>
<td>2</td>
<td>3</td>
<td>–</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Other posts</td>
<td>78</td>
<td>15</td>
<td>3</td>
<td>2</td>
<td>98</td>
<td>86</td>
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<tr>
<td>Total Macmillan posts</td>
<td>4,218</td>
<td>462</td>
<td>216</td>
<td>117</td>
<td>5,013</td>
<td>4,733</td>
</tr>
</tbody>
</table>

Other statistics

- Carer/befriending/bereavement schemes: 58 (5), 5 (1), 64 (56)
- Completed buildings: 141 (30), 10 (4), 185 (164)
- Benefits schemes: 83 (11), 5 (4), 103 (93)
- Static and mobile information centres: 101 (11), 2 (1), 115 (91)

How we manage the money you give us

We knew 2009 was going to be a very challenging year given the economic outlook and so it proved. Nevertheless, through the combination of our donors’ great generosity and the enormous commitment of our volunteers and staff, we maintained fundraised income at 2008 levels raising £119.3 million, a small increase on 2008.

We increased our charitable expenditure to a record £81.3 million, 2.9% more than 2008. As it turned out we could have spent more, but given our uncertainty about the economy in general and our income in particular, we erred on the side of caution. We have budgeted for a significant increase in charitable spend in 2010.

Our firm intention remains to progressively increase charitable spend as we continue to extend 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 to grow our reach therefore sits alongside the need to take time to ensure we get right any new ways of funding.

We remain cautious but positive about the future. We have done a great deal in recent years, both organisationally and financially, to ensure we are in good shape in both the short and long-term.

The need for our work is growing and set to grow for the foreseeable future. The number of people aware of how we can help is on a strong upward trend, as is the number of people we are reaching. Thankfully, we have an incredibly loyal, committed and growing network of supporters who can help us reach and support those who need us.

Financially, we have a strong balance sheet and are not dependent on government money. We have consistently invested in fundraising for many years now and have a strong and diverse portfolio of fundraising streams. We have a flexible charitable spend model which allows us to adjust the shape of our spend to maximise our impact on people affected by cancer.

Crucially, we have the volunteers and staff who can meet whatever financial challenges lie ahead to ensure that we continue to reach more and more people who need our help.

Therefore, as trustees, we are positive about the future prospects of Macmillan Cancer Support and its subsidiary trading companies.
How we spent our money
Our total spend on Macmillan Grants was a little lower at £9 million, but we helped over 27,000 people, slightly more than in 2008. We have budgeted to increase this spend in 2010 to £9.7 million. We also spent £5.8 million on buildings and £14.4 million on information services.

We also spent £8.9 million on our Welfare Rights Team and on developing Macmillan welfare rights advice projects. Our advice helped to secure over £20 million in unclaimed benefits for people affected by cancer.

You’ll find a more detailed analysis of our spend in note 7 to the accounts on page 41.

How we managed the money you give us
Our separate network of benefits secure over £20 million in unclaimed advice projects. Our advice helped to develop Macmillan welfare rights.

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Reserves
Target range
As a large, dynamic organisation relying almost entirely on voluntary giving, we need to hold adequate reserves so that we can react both to challenging economic times and 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. Our current target level is £35 million for general reserves, with a target range of between £25 million and £45 million. The £35 million target level represents between three and four months of normal expenditure.

Actual reserves
In 2009, our fundraising income was just ahead of budget following a strong final quarter. Given uncertainty about our income, our investments and our pension assets, we were cautious with our charitable expenditure and ended up spending a little less than budget. This, together with gains on our long-term investments, meant that we recorded an in-year surplus. As a result, we ended the year with general reserves of £49.1 million, a bit higher than the top of our target range.

We have budgeted for a deficit in 2010, as part of a measured approach to reducing our reserves towards the target range and to increase our charitable expenditure to reach and support even more people affected by cancer.

Our investments
Long-term funds
We aim to hold funds broadly equivalent to our target level of reserves (see above), in our long-term investment portfolio. These long-term funds have been managed on behalf of the trusters by JP Morgan Private Bank since 2003. Its job is to maximise the overall growth of these funds while maintaining a balanced portfolio that performs steadily. As stated above, these are long-term reserves which are held to meet unexpected threats or opportunities. The trustees, advised by JP Morgan, aim to grow these reserves through investment in various different asset classes while ensuring that the risks taken are carefully monitored, managed and controlled.

We are also mindful of the possible need to liquidate some of these assets at short notice and liquidity therefore plays an important part in the factors we consider in asset allocation. We’ve also made it clear that our funds must not be invested in tobacco stocks.

In 2009, the value of our portfolio grew by £2.7 million as funds recovered following their poor performance in 2008. We regularly review the strategic asset allocation that defines our investment approach and believe that our current allocation, which has changed very little in the last six years, remains appropriate. The performance of JP Morgan is regularly monitored by the trustees against agreed benchmarks. Over the entire period, the performance of JP Morgan has managed our long-term funds, they have equalled or exceeded the agreed benchmark.

Short-term funds
At 31 December 2009, we had unspent but committed charitable grants of £107.2 million, less than a third of which are due to be paid out in 2010. We hold the funds to meet these grants, primarily in cash and short-term deposits.

Pending actual payment of these grants, these short-term funds are held on deposit with our bankers or invested in either highly-rated money market funds or a managed portfolio of highly rated, short duration government backed bonds. At 31 December 2009, cash and short-term deposits stood at £123 million.

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

Pension schemes
We operate a contributory defined benefit pension scheme for employees who joined the scheme before 30 April 2005, the date we finally closed the scheme to all new entrants. From 1 May 2004, we have separately operated a defined contribution stakeholder pension scheme for eligible employees not in the defined benefit scheme.

The defined benefit pension scheme was showing an FRS17 deficit at 31 December 2009 of £300,000 (2008: £400,000).

The trustees very regularly review the status of the defined benefit scheme and have in recent years taken a number of actions to reduce the growth in Macmillan’s future pension liabilities. In 2005 the scheme was closed to new entrants. One year later, member contributions were increased and the future service benefits that could be accrued were reduced.

In spite of these actions, the pension liabilities have continued to grow as life expectancy has increased and forecast investment returns have declined.

It is against this background that the trustees have recently proposed the closure of the defined benefit scheme to future accrual. We are currently in consultation with the active members of the scheme about this proposal.

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 (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 who can demonstrate financial hardship, something we have done ever since we were founded nearly 100 years ago. Typically grants are £300–£400 and 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, or pays for unavoidable expenses such as fuel bills or travel expenses. In 2009, we gave £9 million in grants to people affected by cancer.

Macmillan annual report and accounts 2009
**How we raised our money**

**Total income £123.4m**

- **Legacies £44m**
  The money people leave us in their wills is the biggest single source of income we have – it makes a huge difference.

- **Other £4.1m**
  Grants received and investment income.

- **Fundraised events £17.7m**
  Our events programme including national events such as the World’s Biggest Coffee Morning, our challenge events programme and local and London events.

- **Merchandising income £1.3m**
  Simple things like our Christmas cards, mugs, toys and badges add up to important income.

- **Trusted and corporate income £14.5m**
  Corporate donations including staff fundraising and sponsorship and donations from charitable trusts.

- **Direct marketing £18.4m**
  This includes funds raised from letters as well as adverts that ask people for donations to support our vital work.

- **Local committees £8m**
  Funds raised by volunteers who run events and appeals for us in their local community.

We rely on our supporters for 97% of our income. Without you we couldn’t provide any of our services for people living with cancer.
In 2009 our total income was £2.7 million less than the previous year, however this hasn’t stopped us increasing our charitable spending by £2.3 million.

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<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>£22.2m</td>
</tr>
<tr>
<td>Information</td>
<td>£17.1m</td>
</tr>
<tr>
<td>Financial support</td>
<td>£18.6m</td>
</tr>
<tr>
<td>Daily living and other support</td>
<td>£5.8m</td>
</tr>
<tr>
<td>Empowering people</td>
<td>£4m</td>
</tr>
<tr>
<td>Research and raising awareness</td>
<td>£13.6m</td>
</tr>
</tbody>
</table>

Total charitable spend: £81.3m

Our total expenditure: £116.3m

Breaking down to:
- Charitable: £81.3m
- Fundraising: £34m
- Governance and other: £1m
GOVERNANCE

Objects of the charity
The objects of the charity included within the Articles of Association are:
a) to provide support, assistance and information directly or indirectly to people affected by cancer
b) to further build cancer awareness, education and research,
c) to promote and influence effective care, involvement and support for people affected by cancer.

Powers and delegations
Under Macmillan’s articles of association, which govern the relationship between Macmillan’s Board and its members, and subject to certain matters reserved to members who attend our Annual General Meeting, Macmillan’s Board holds all of the charity’s powers and authorities. The Board meets regularly during the year to consider, determine and review Macmillan’s strategies, policies, budgets, plans and performance and to receive reports from senior managers. The Board has delegated some of its powers and responsibilities to its Finance and Legal, Audit, Nominations and Remuneration committees.

The Board maintains and keeps under review a scheme of delegation which defines key matters reserved to the Board, while delegating authority over management and operational matters to the Chief Executive. The Board authorises sub-delegation by the Chief Executive to Executive Directors and other staff.

The Board is also advised about the work it carries out and the policy decisions it makes by Macmillan’s Council. The Council also passes on the views and opinions of Macmillan members to the Board. Members of the 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 (Edinburgh), Wales (Pencoed), Northern Ireland (Belfast) and Hammersmith, York and Andover in England.

Number of meetings held in 2009
Board of Trustees 7
Finance and Legal committee 6
Remuneration committee 2
Audit committee 5
Council 2
Nominations committee 6

Statement of responsibilities of the trustees
Macmillan’s trustees, who sit on Macmillan’s Board, are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally 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. The accounts must also show the surplus or deficit of income over expenditure of the Macmillan Group for the period the annual report covers.

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. 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 are as follows:
Tara Donnelly
Dr Derek Douglas CBE
Jamie Dundas (Chairman)
Dr David Evered
Susan Kirk
Kenneth Lacoy
Judith Lancaster
Joe MacHale (Treasurer)
Julia Palca
Sir Joseph Pilling KCB
Simon Prior-Palmer
Professor Amanda-Jane Ramirez
Dr Maurice Slevin (resigned 22 September 2009)
Dr Gareth Tuckwell

Simon Prior-Palmer retires from the Board at the forthcoming Annual General Meeting and offers himself for re-election for a further three-year term.

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. The Board’s Nominations committee meet regularly to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.

For new trustees, Macmillan has a wide-ranging induction programme, which is also open to existing trustees to attend. The programme, which is presented by Macmillan staff members and external advisors, includes visits to Macmillan services, coverage of the charity’s aims and how they are being fulfilled, 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 an assessment by Macmillan’s regional and UK management of the need for local and national improvement in cancer services. The planning also considers future trends and external factors, including the readiness of prospective partners in health and social care to deliver services with us.

We have 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 regular reviews throughout Macmillan and reports to the Audit committee.

As part of the annual planning and budgeting process, Macmillan prepares a risk management plan. The plan identifies the most significant risks to the implementation of the corporate strategy, orders these risks by how likely they are to happen and what effect they will have on the organisation; 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 2009 the risk management plan was reviewed, key risks were considered and necessary action was taken.
Employment policies and involvement

Macmillan operates a policy of equal pay and aims to ensure that salaries reflect the knowledge, skills, responsibilities and personal competencies 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 22 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 five subsidiary 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, Cancerbackup and Cancerbackup Trading Company Limited are dormant companies.

Note 5 to the Accounts summarises the results of the subsidiaries which performed satisfactorily in 2009.

Related parties

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

Volunteers

Our many thousands of volunteers continue to make a big difference by raising funds, supporting people affected by cancer and campaigning and volunteering in Macmillan offices. Macmillan is hugely indebted and very grateful to every volunteer for every moment of time they give.

Auditors

BDO LLP is the group and charity’s auditors. A resolution will be proposed at the Annual General Meeting that BDO 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 12 May 2010.

Jamie Dundas – Chairman

This report is made solely to the charity’s trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity’s trustees and members those matters we are required to state to them in an auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity’s trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees’ (who are also the directors of the company for the purposes of company law) 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) and for being satisfied that the financial statements give a true and fair view 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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the Trustees’ Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees’ remuneration specified by law are not made.

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

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 an evidence 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 a basis for our opinion. We believe that the evidence we have obtained is sufficient and appropriate to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:  
• The financial statements give a true and fair view of the state of the charity’s affairs as at 31 December 2009 and of its incoming resources and expenditure, for the year then ended;  
• The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;  
• The financial statements have been properly prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and  
• The information given in the Trustees Annual Report is consistent with the financial statements.

James Aston, Senior Statutory Auditor
for and on behalf of BDO LLP,
Statutory Auditor

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

Date: 13 May 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)
Consolidated statement of financial activities (including an income and expenditure account)
For the year ended 31 December 2009

Balance sheets
31 December 2009

Incoming resources
Incoming resources from generated funds:
- Legacy income
  - Unrestricted £'000 31,517
  - Restricted £'000 12,514
  - 2009 Total £'000 44,031
  - 2008 Total £'000 45,434
- Voluntary income
  - 2009 Total £'000 73,925
  - 2008 Total £'000 72,068
- Merchandising income
  - 2009 Total £'000 1,335
  - 2008 Total £'000 1,605

Total fundraised income
- 2009 Total £'000 97,437
- 2008 Total £'000 113,816

Resources expended
Costs of generating funds:
- Cost of generating voluntary and legacy income
  - 2009 Total £'000 30,657
  - 2008 Total £'000 29,657
- Merchandising costs
  - 2009 Total £'000 713
  - 2008 Total £'000 859

Total fundraising costs
- 2009 Total £'000 31,370
- 2008 Total £'000 34,046

Total cost of generating funds
- 2009 Total £'000 31,664
- 2008 Total £'000 34,257

Net incoming resources available for charitable application
- 2009 Total £'000 67,616
- 2008 Total £'000 92,081

Charitable expenditure
- Charitable expenditure
  - 2009 Total £'000 67,616
  - 2008 Total £'000 92,081
- Governance
  - 2009 Total £'000 58,817
  - 2008 Total £'000 79,018

Total charitable expenditure
- 2009 Total £'000 87,433
- 2008 Total £'000 114,099

Total current assets
- 2009 Total £'000 127,643
- 2008 Total £'000 113,816

Net current assets
- 2009 Total £'000 91,954
- 2008 Total £'000 107,775

Total assets less current liabilities
- 2009 Total £'000 141,222
- 2008 Total £'000 141,221

Funds
- Restricted funds
  - 2009 Total £'000 15,461
  - 2008 Total £'000 15,461

Unrestricted funds:
- Investment revaluation reserve
  - 2009 Total £'000 1,754
  - 2008 Total £'000 371
- Other general funds
  - 2009 Total £'000 47,322
  - 2008 Total £'000 38,503

Total general funds
- 2009 Total £'000 49,076
- 2008 Total £'000 45,874

Total unrestricted funds
- 2009 Total £'000 54,599
- 2008 Total £'000 45,515

Fixed assets
- Tangible fixed assets
  - 2009 Total £'000 60,206
  - 2008 Total £'000 42,166

Current assets
- Debtors
  - 2009 Total £'000 114,756
  - 2008 Total £'000 114,756
- Short-term deposits
  - 2009 Total £'000 8,258
  - 2008 Total £'000 10,578
- Cash at bank and in hand
  - 2009 Total £'000 149,954
  - 2008 Total £'000 149,911

Creditors: amounts falling due within one year
- Grants committed not yet paid
  - 2009 Total £'000 70,876
  - 2008 Total £'000 69,848
- Pension scheme funding deficit
  - 2009 Total £'000 1,605
  - 2008 Total £'000 1,605

Net assets
- 2009 Total £'000 70,060
- 2008 Total £'000 60,206

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 37-50 form part of these financial statements.

Approved by the Board of Trustees and authorised for issue on 12 May 2010

Jamie Dundas – Chairman
Joe MacHale – Treasurer
Consolidated cash flow statement  
31 December 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>2009 £'000</th>
<th>2008 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net incoming resources for year</td>
<td>7,109</td>
<td>12,311</td>
</tr>
<tr>
<td>Adjustments to exclude non-cash items and investment income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>10</td>
<td>774</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>11</td>
<td>(138)</td>
</tr>
<tr>
<td>Shares and investments acquired via legacies and gifts</td>
<td>11</td>
<td>(251)</td>
</tr>
<tr>
<td>Increase in grant commitments and other creditors</td>
<td>13,14</td>
<td>793</td>
</tr>
<tr>
<td>Pension actuarial gain/(loss)</td>
<td>19</td>
<td>71</td>
</tr>
<tr>
<td>Decrease/(increase) in debtors</td>
<td>217</td>
<td>(1,025)</td>
</tr>
<tr>
<td>Investment income</td>
<td>(1,843)</td>
<td>(4,451)</td>
</tr>
<tr>
<td>Assets transferred on merger with Cancerbackup</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>7,008</td>
<td>5,605</td>
</tr>
<tr>
<td>Returns on an investment and servicing of finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>1,843</td>
<td>4,451</td>
</tr>
<tr>
<td>Capital expenditure and financial investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of tangible fixed assets</td>
<td>10</td>
<td>(2,290)</td>
</tr>
<tr>
<td>Proceeds from sale of fixed assets</td>
<td>11</td>
<td>1,700</td>
</tr>
<tr>
<td>Payments to acquire investments</td>
<td>11</td>
<td>(10,816)</td>
</tr>
<tr>
<td>Short-term investments reclassified between cash and investments</td>
<td>11</td>
<td>7,123</td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
<td>11</td>
<td>17,681</td>
</tr>
<tr>
<td>Change in accrued investment income</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Decrease/(increase) in cash and short-term deposits held in investments</td>
<td>11</td>
<td>346</td>
</tr>
<tr>
<td>Cash with subsidiary</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Increase in combined cash and short-term deposits</td>
<td>22,497</td>
<td>5,707</td>
</tr>
<tr>
<td>Management of liquid resources</td>
<td>(2,320)</td>
<td>(2,650)</td>
</tr>
<tr>
<td>(Decrease) in cash in the year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes to the financial statements  
For the year ended 31 December 2009

1 Accounting policies

Basis of preparation
The financial statements 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 (SCRP) “Accounting and Reporting by Charities 2005” and the Companies Act 2006.

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. Cancerbackup and Cancerbackup Trading Limited were acquired on 31 March 2008 and their results have been consolidated from this date. A separate Statement of Financial Activities for the charity itself is not presented as allowed by section 408 of the Companies Act 2006 and paragraph 397 of SCRP 2005. The income of the parent charity was £122,821,000 (2008: £125,229,000) and the expenditure was £115,709,000 (2008: £112,915,000).

Incoming resources

Voluntary income
Voluntary income is received in the form 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.

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

Grants to organisations to meet employment, travelling and training costs of Macmillan postholders, and to cover costs associated with developments and to develop care, 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 creditor 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 redeploy a grant which has been approved in a prior year. Where redeployment occurs the intention of the original grant is observed where possible. If it cannot be spent in the current year the funds revert to the original unrestricted or restricted reserve.

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 an estimated staff time.

Notes to the financial statements  
Macmillan annual report and accounts 2009

("Accounting and Reporting by Charities 2005" and the Companies Act 2006.)
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.

Merger or acquisition accounting
On merging with other charities, all their assets and liabilities that exist at the date of merger are recorded at their fair values reflecting their condition at that date. These net assets are recognised as a donation. All changes to those assets and liabilities and the resulting surpluses or deficits that arise after the group have merged are charged to the post-merger Statement of Financial Activities.

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 contributory, defined benefit pension scheme for employees who joined the scheme before 30 April 2005, the date the scheme was finally closed to new entrants. 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 along with differences arising from experience or assumption changes, are shown as an actuarial gain or loss on the face of the Statement of Financial Activities.

The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The charity also contributes to a separate stakeholder pension scheme. 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.

3 Grant income

<table>
<thead>
<tr>
<th></th>
<th>2009 £'000</th>
<th>2008 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Health – Cancer Survivorship Initiative</td>
<td>1,211</td>
<td>–</td>
</tr>
<tr>
<td>Department of Health – Cancer Genetics Partnership</td>
<td>37</td>
<td>–</td>
</tr>
<tr>
<td>Scottish Government – Better Cancer Care</td>
<td>500</td>
<td>–</td>
</tr>
<tr>
<td>Scottish Government – Income Maximisation</td>
<td>434</td>
<td>–</td>
</tr>
<tr>
<td>The Big Lottery:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Citizens Advice Bureau Welfare Benefits Advice Service</td>
<td>79</td>
<td>77</td>
</tr>
<tr>
<td>• Home Ground – Integrated Rural Cancer Care Project</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>• Easington Palliative Home Carers’ Scheme</td>
<td>9</td>
<td>–</td>
</tr>
<tr>
<td>West Yorkshire NHS – RAGE Project</td>
<td>–</td>
<td>190</td>
</tr>
<tr>
<td>Scottish Executive – Nurses Helpline in Glasgow</td>
<td>20</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,253</strong></td>
<td><strong>344</strong></td>
</tr>
</tbody>
</table>

4 Investment income

<table>
<thead>
<tr>
<th></th>
<th>2009 £'000</th>
<th>2008 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from investments</td>
<td>785</td>
<td>767</td>
</tr>
<tr>
<td>Income from cash and short-term deposits</td>
<td>1,058</td>
<td>3,684</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,843</strong></td>
<td><strong>4,451</strong></td>
</tr>
</tbody>
</table>

5 Subsidiary undertakings

The charity has five wholly owned 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:

- Maxmillan Cancer Support Sales Limited – Sale of Christmas cards and other items
- Maxmillan Cancer Support Trading Limited – Fundraising events and activities
- Maxmillan Cancer Support Enterprises Limited – Dormant
- Cancerbackup – Dormant
- Cancerbackup Trading Company Limited – Dormant

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

<table>
<thead>
<tr>
<th></th>
<th>2009 Total £'000</th>
<th>2008 Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>1,335</td>
<td>741</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(231)</td>
<td>(18)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1,104</td>
<td>723</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(323)</td>
<td>(4)</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Net profit</td>
<td>783</td>
<td>740</td>
</tr>
<tr>
<td>Costs recharged and interest paid to the Charity</td>
<td>(178)</td>
<td>(176)</td>
</tr>
<tr>
<td>Profit on ordinary activities</td>
<td>605</td>
<td>564</td>
</tr>
<tr>
<td>Amount donated to the Charity under Gift Aid</td>
<td>(605)</td>
<td>(564)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,096</strong></td>
<td><strong>2,540</strong></td>
</tr>
<tr>
<td>Funds balance at 31 December 2008</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Funds balance at 31 December 2009</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
6 Expenditure

<table>
<thead>
<tr>
<th>Grants</th>
<th>Direct staff costs</th>
<th>Other direct costs</th>
<th>Apportioned support costs</th>
<th>2009 Total</th>
<th>2008 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable expenditure (Note 7)</td>
<td>46,906</td>
<td>12,899</td>
<td>14,419</td>
<td>7,106</td>
<td>81,330</td>
</tr>
<tr>
<td>Governance (Note 7)</td>
<td>–</td>
<td>354</td>
<td>230</td>
<td>114</td>
<td>698</td>
</tr>
<tr>
<td><strong>Total charitable expenditure</strong></td>
<td><strong>46,906</strong></td>
<td><strong>13,253</strong></td>
<td><strong>14,649</strong></td>
<td><strong>7,220</strong></td>
<td><strong>82,028</strong></td>
</tr>
<tr>
<td>Cost of generating voluntary and legacy income</td>
<td>–</td>
<td>10,883</td>
<td>14,050</td>
<td>8,317</td>
<td>33,250</td>
</tr>
<tr>
<td>Merchandising costs</td>
<td>–</td>
<td>137</td>
<td>576</td>
<td>–</td>
<td>713</td>
</tr>
<tr>
<td>Investment management fees</td>
<td>–</td>
<td>–</td>
<td>294</td>
<td>–</td>
<td>294</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>46,906</strong></td>
<td><strong>24,273</strong></td>
<td><strong>29,569</strong></td>
<td><strong>15,537</strong></td>
<td><strong>116,285</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Human Resources and Facilities</th>
<th>Information Technology</th>
<th>Finance, Legal and Secretariat</th>
<th>Policy and Conversations</th>
<th>2009 Total</th>
<th>2008 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable</td>
<td>2,420</td>
<td>1,657</td>
<td>964</td>
<td>2,065</td>
<td>7,106</td>
</tr>
<tr>
<td>Governance</td>
<td>39</td>
<td>27</td>
<td>15</td>
<td>33</td>
<td>114</td>
</tr>
<tr>
<td>Cost of generating voluntary and legacy income</td>
<td>2,833</td>
<td>1,940</td>
<td>1,128</td>
<td>2,416</td>
<td>8,317</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,292</strong></td>
<td><strong>3,624</strong></td>
<td><strong>2,107</strong></td>
<td><strong>4,514</strong></td>
<td><strong>15,537</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>413</td>
</tr>
<tr>
<td>External audit fees</td>
<td>61</td>
</tr>
<tr>
<td>Board and Council meeting expenses</td>
<td>18</td>
</tr>
<tr>
<td>AGM costs</td>
<td>9</td>
</tr>
<tr>
<td>Legal and other costs</td>
<td>197</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>698</strong></td>
</tr>
</tbody>
</table>

7 Analysis of charitable expenditure

<table>
<thead>
<tr>
<th>Direct and indirect staff costs</th>
<th>Grants</th>
<th>Other direct and indirect costs</th>
<th>2009 Total</th>
<th>2008 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td></td>
<td></td>
<td>11,932</td>
<td>11,920</td>
</tr>
<tr>
<td>Macmillan nurses</td>
<td>1,398</td>
<td>10,082</td>
<td>452</td>
<td></td>
</tr>
<tr>
<td>Macmillan allied health professionals</td>
<td>549</td>
<td>5,002</td>
<td>222</td>
<td></td>
</tr>
<tr>
<td>Treatment and care buildings</td>
<td>553</td>
<td>2,230</td>
<td>403</td>
<td></td>
</tr>
<tr>
<td>Survivorship programmes</td>
<td>211</td>
<td>118</td>
<td>374</td>
<td></td>
</tr>
<tr>
<td>Day and inpatient care</td>
<td>–</td>
<td>597</td>
<td></td>
<td>597</td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information services</td>
<td>2,986</td>
<td>4,872</td>
<td>2,348</td>
<td>10,206</td>
</tr>
<tr>
<td>Mobile Macmillan Cancer Information Centres</td>
<td>508</td>
<td>–</td>
<td>277</td>
<td>785</td>
</tr>
<tr>
<td>CancerLine</td>
<td>2,322</td>
<td>–</td>
<td>1,132</td>
<td>3,454</td>
</tr>
<tr>
<td>Information buildings</td>
<td>460</td>
<td>2,034</td>
<td>148</td>
<td>2,642</td>
</tr>
<tr>
<td>Financial support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macmillan Grants</td>
<td>514</td>
<td>9,007</td>
<td>166</td>
<td>9,687</td>
</tr>
<tr>
<td>Macmillan Welfare Rights Advice projects</td>
<td>850</td>
<td>6,774</td>
<td>344</td>
<td>7,968</td>
</tr>
<tr>
<td>Macmillan Welfare Rights Team</td>
<td>661</td>
<td>–</td>
<td>305</td>
<td>966</td>
</tr>
<tr>
<td>Daily living</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional and practical schemes</td>
<td>560</td>
<td>993</td>
<td>237</td>
<td>1,790</td>
</tr>
<tr>
<td>Macmillan social workers and social care schemes</td>
<td>272</td>
<td>2,394</td>
<td>391</td>
<td>5,877</td>
</tr>
<tr>
<td>Cancer self-help and support groups</td>
<td>–</td>
<td>224</td>
<td>–</td>
<td>224</td>
</tr>
<tr>
<td>Other support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associated charities</td>
<td>–</td>
<td>157</td>
<td>–</td>
<td>157</td>
</tr>
<tr>
<td>Learning and development for people affected by cancer</td>
<td>438</td>
<td>–</td>
<td>322</td>
<td>760</td>
</tr>
<tr>
<td>Empowering people</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involving people affected by cancer</td>
<td>454</td>
<td>56</td>
<td>169</td>
<td>679</td>
</tr>
<tr>
<td>in developing Macmillan and NHS services</td>
<td>–</td>
<td>570</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GP educators and facilitators</td>
<td>71</td>
<td>549</td>
<td>124</td>
<td>744</td>
</tr>
<tr>
<td>Macmillan Cancer Voices</td>
<td>61</td>
<td>–</td>
<td>259</td>
<td>320</td>
</tr>
<tr>
<td>Learning and development for Macmillan professionals</td>
<td>1,034</td>
<td>341</td>
<td>883</td>
<td>2,258</td>
</tr>
<tr>
<td>Research and raising awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research to improve cancer services</td>
<td>666</td>
<td>1,476</td>
<td>816</td>
<td>2,958</td>
</tr>
<tr>
<td>Public education and awareness raising</td>
<td>733</td>
<td>6,762</td>
<td>7,945</td>
<td>7,521</td>
</tr>
<tr>
<td>Policy and campaigning</td>
<td>926</td>
<td>–</td>
<td>523</td>
<td>1,449</td>
</tr>
<tr>
<td>Charitable systems development</td>
<td>356</td>
<td>–</td>
<td>1,384</td>
<td>1,740</td>
</tr>
<tr>
<td>Charitable expenditure</td>
<td>16,583</td>
<td>46,906</td>
<td>17,841</td>
<td>81,330</td>
</tr>
<tr>
<td>Governance costs</td>
<td>413</td>
<td>–</td>
<td>285</td>
<td>698</td>
</tr>
<tr>
<td><strong>Total charitable expenditure</strong></td>
<td><strong>16,996</strong></td>
<td><strong>46,906</strong></td>
<td><strong>18,126</strong></td>
<td><strong>82,028</strong></td>
</tr>
</tbody>
</table>

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 £37,899,000 (2008: £36,241,000). Grants to individuals totalled £9,007,000 (2008: £9,639,000).

A full list of the grants made to institutions and partner organisations is disclosed in a separate publication which is available from the charity’s registered office.
8 Net income/(expenditure) for the year
This is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>2009 £’000</th>
<th>2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>774</td>
<td>403</td>
</tr>
<tr>
<td>Auditors’ remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Audit</td>
<td>61</td>
<td>58</td>
</tr>
<tr>
<td>Operating lease rentals:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Property</td>
<td>2,122</td>
<td>2,099</td>
</tr>
<tr>
<td></td>
<td>576</td>
<td>476</td>
</tr>
</tbody>
</table>

No trustee has received any remuneration from the group during the year (2008: nil). The total amount of trustees expenses incurred directly by Macmillan or reimbursed during the year was £5,805 (2008: £6,716), which all related to trustee meetings. The number of trustees who were reimbursed was five (2008: six).

9 Staff costs and numbers
Staff costs were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2009 £’000</th>
<th>2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>27,317</td>
<td>24,389</td>
</tr>
<tr>
<td>Agency staff costs</td>
<td>400</td>
<td>825</td>
</tr>
<tr>
<td>Employers’ National Insurance contributions</td>
<td>2,724</td>
<td>2,424</td>
</tr>
<tr>
<td>Pension costs</td>
<td>1,468</td>
<td>1,201</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31,909</strong></td>
<td><strong>28,839</strong></td>
</tr>
</tbody>
</table>

The number of employees whose earnings (excluding pension) fell into the bands below were:

<table>
<thead>
<tr>
<th></th>
<th>2009 No.</th>
<th>2008 No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1 – £60,000</td>
<td>850</td>
<td>769</td>
</tr>
<tr>
<td>£60,001 – £70,000</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>£70,001 – £80,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>£80,001 – £90,000</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>£90,001 – £100,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>£140,001 – £150,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>870</strong></td>
<td><strong>785</strong></td>
</tr>
</tbody>
</table>

10 Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Freehold property</th>
<th>Property under construction</th>
<th>Leasehold property improvements</th>
<th>Motor vehicles</th>
<th>Computer equipment and systems</th>
<th>Furniture and equipment</th>
<th><strong>Totals</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
</tr>
<tr>
<td>At 1 January 2009</td>
<td>2,003</td>
<td>–</td>
<td>738</td>
<td>249</td>
<td>2,300</td>
<td>1,021</td>
<td>6,311</td>
</tr>
<tr>
<td>Additions in year</td>
<td>–</td>
<td>93</td>
<td>1,215</td>
<td>–</td>
<td>505</td>
<td>777</td>
<td>2,590</td>
</tr>
<tr>
<td>Disposals in year</td>
<td>(1,908)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(1,908)</td>
</tr>
<tr>
<td><strong>At 31 December 2009</strong></td>
<td><strong>95</strong></td>
<td><strong>93</strong></td>
<td><strong>1,953</strong></td>
<td><strong>249</strong></td>
<td><strong>2,805</strong></td>
<td><strong>1,798</strong></td>
<td><strong>6,993</strong></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
</tr>
<tr>
<td>At 1 January 2009</td>
<td>44</td>
<td>–</td>
<td>384</td>
<td>78</td>
<td>2,072</td>
<td>870</td>
<td>3,448</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>(70)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(70)</td>
</tr>
<tr>
<td><strong>At 31 December 2009</strong></td>
<td><strong>18</strong></td>
<td>–</td>
<td><strong>650</strong></td>
<td><strong>128</strong></td>
<td><strong>2,302</strong></td>
<td><strong>1,054</strong></td>
<td><strong>4,152</strong></td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
<td><strong>£’000</strong></td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>1,959</td>
<td>–</td>
<td>1,303</td>
<td>121</td>
<td>503</td>
<td>744</td>
<td>2,841</td>
</tr>
<tr>
<td>At 31 December 2008</td>
<td>1,959</td>
<td>–</td>
<td>1,303</td>
<td>121</td>
<td>503</td>
<td>744</td>
<td>2,841</td>
</tr>
</tbody>
</table>

The property under construction is an Information and Support centre adjacent to the Brighton Cancer Centre.
The freehold property disposal relates to 3 Bath Place, Rivington Street, London EC2A 3JR, which was transferred to Macmillan Cancer Support as a result of the merger with Cancerbackup in 2008.
11 Investments
The Group and Charity

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value at 1 January</td>
<td>45,421</td>
<td>39,891</td>
</tr>
<tr>
<td>Purchased acquisitions</td>
<td>10,816</td>
<td>18,932</td>
</tr>
<tr>
<td>Shares and investments acquired via legacies and gifts</td>
<td>251</td>
<td>7</td>
</tr>
<tr>
<td>Short-term investments reclassified between cash and investments</td>
<td>(7,123)</td>
<td>15,379</td>
</tr>
<tr>
<td>Disposal proceeds</td>
<td>(17,881)</td>
<td>(21,715)</td>
</tr>
<tr>
<td>Change in accrued income</td>
<td>(2)</td>
<td>(26)</td>
</tr>
<tr>
<td>(Decrease)/Increase in cash and short-term deposits</td>
<td>(346)</td>
<td>2,701</td>
</tr>
<tr>
<td>Net gain/(loss) on investments</td>
<td>2,674</td>
<td>(8,153)</td>
</tr>
<tr>
<td>Market value at 31 December</td>
<td>30,605</td>
<td>42,216</td>
</tr>
<tr>
<td>Historic cost at 31 December</td>
<td>28,851</td>
<td>41,845</td>
</tr>
</tbody>
</table>

Investments comprise:

<table>
<thead>
<tr>
<th></th>
<th>2009  £’000</th>
<th>2008  £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK listed</td>
<td>2,050</td>
<td>2,772</td>
</tr>
<tr>
<td>Non-UK listed</td>
<td>17,643</td>
<td>28,924</td>
</tr>
<tr>
<td>UK non-listed</td>
<td>530</td>
<td>1,069</td>
</tr>
<tr>
<td>Non-UK hedge funds</td>
<td>6,483</td>
<td>8,751</td>
</tr>
<tr>
<td>Non-UK private equity</td>
<td>178</td>
<td>143</td>
</tr>
<tr>
<td>Cash and short-term deposits</td>
<td>3,721</td>
<td>557</td>
</tr>
</tbody>
</table>

30,605 42,216

Listed investments include £12,976,000 (2008: £18,565,000) of direct holdings. The balance of £6,717,000 (2008: £13,131,000) is held in investment funds and unit trusts the majority of which are fixed income and property funds.

Investments representing over 5% by value of the portfolio comprise:

<table>
<thead>
<tr>
<th></th>
<th>2009  £’000</th>
<th>2008  £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>BGI Sterling Liquidity Plus Fund</td>
<td>–</td>
<td>6,759</td>
</tr>
<tr>
<td>JPM Diversified Fixed Income GBP Fund</td>
<td>2,475</td>
<td>4,023</td>
</tr>
<tr>
<td>JPM Sterling Liquidity Fund</td>
<td>3,587</td>
<td>–</td>
</tr>
</tbody>
</table>

12 Debtors

<table>
<thead>
<tr>
<th></th>
<th>Group 2009 £’000</th>
<th>Group 2008 £’000</th>
<th>Charity 2009 £’000</th>
<th>Charity 2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued legacy income</td>
<td>21,286</td>
<td>21,702</td>
<td>21,286</td>
<td>21,702</td>
</tr>
<tr>
<td>Prepayments and other accrued income</td>
<td>3,703</td>
<td>4,119</td>
<td>3,368</td>
<td>3,215</td>
</tr>
<tr>
<td>Income tax recoverable</td>
<td>1,213</td>
<td>940</td>
<td>1,213</td>
<td>940</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>188</td>
<td>210</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Amount due from subsidiaries</td>
<td>2,005</td>
<td>1,706</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>550</td>
<td>186</td>
<td>499</td>
<td>98</td>
</tr>
</tbody>
</table>

26,940 27,157 28,171 27,661

Included within the amount due from subsidiaries are two loans to the charity’s trading subsidiaries. £30,000 (2008: £30,000) has been loaned to Macmillan Cancer Support Trading Limited and £200,000 (2008: £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

<table>
<thead>
<tr>
<th></th>
<th>2009 Total £’000</th>
<th>2008 Total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments at 1 January</td>
<td>64,743</td>
<td>29,586</td>
</tr>
<tr>
<td>Grants paid during the year</td>
<td>(20,723)</td>
<td>(10,481)</td>
</tr>
<tr>
<td>New grants committed during the year</td>
<td>24,516</td>
<td>10,435</td>
</tr>
<tr>
<td>Commitments released as no longer required</td>
<td>(739)</td>
<td>(1,099)</td>
</tr>
</tbody>
</table>

67,797 10,971 28,441 107,209 106,149

Falling due within one year | 22,563           | 9,767            |
Falling due after one year  | 45,234           | 18,674           |

67,797 10,971 28,441 107,209 106,149

14 Other creditors

<table>
<thead>
<tr>
<th></th>
<th>Group 2009 £’000</th>
<th>Group 2008 £’000</th>
<th>Charity 2009 £’000</th>
<th>Charity 2008 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation and social security</td>
<td>1,090</td>
<td>980</td>
<td>1,121</td>
<td>980</td>
</tr>
<tr>
<td>Other creditors and accruals</td>
<td>4,755</td>
<td>4,974</td>
<td>4,682</td>
<td>4,944</td>
</tr>
</tbody>
</table>

5,845 5,954 5,803 5,924

15 Analysis of group net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Restricted funds £’000</th>
<th>Designated funds £’000</th>
<th>General funds £’000</th>
<th>Total funds £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible fixed assets</td>
<td>93</td>
<td>2,748</td>
<td>–</td>
<td>2,841</td>
</tr>
<tr>
<td>Investments</td>
<td>–</td>
<td>3,061</td>
<td>27,544</td>
<td>30,605</td>
</tr>
<tr>
<td>Cash and short-term deposits</td>
<td>55,152</td>
<td>–</td>
<td>67,862</td>
<td>123,014</td>
</tr>
<tr>
<td>Debtors</td>
<td>5,144</td>
<td>–</td>
<td>21,796</td>
<td>26,940</td>
</tr>
<tr>
<td>Creditors</td>
<td>(44,928)</td>
<td>(68,412)</td>
<td>(113,340)</td>
<td>(213,670)</td>
</tr>
</tbody>
</table>

Net assets at 31 December 2009 | 15,461           | 5,809                  | 48,790              | 70,060            |
Notes to the financial statements

Macmillan annual report and accounts 2009

Restricted funds

<table>
<thead>
<tr>
<th>Balance 1 January 2009</th>
<th>Income from restricted funds</th>
<th>Outgoing transfers</th>
<th>Gains on investments and unrealised gains on acquisitions of property</th>
<th>Balance 31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local appeals</td>
<td>3,308</td>
<td>5,824</td>
<td>(6,762)</td>
<td>1,649</td>
</tr>
<tr>
<td>Brighton information and support centre</td>
<td>1,211 (324)</td>
<td>223</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Department of Health grant</td>
<td>1,211</td>
<td>324</td>
<td>223</td>
<td>93</td>
</tr>
<tr>
<td>Other funds</td>
<td>11,383</td>
<td>17,079</td>
<td>(18,020)</td>
<td>10,442</td>
</tr>
<tr>
<td>Total restricted funds</td>
<td>14,691</td>
<td>24,114</td>
<td>(25,106)</td>
<td>15,461</td>
</tr>
</tbody>
</table>

Unrestricted funds

General funds

| Investment revaluation reserve | 371 |
| Other general funds            | 38,503 (99,280 (91,266) 2,674 (1,869) 47,322 |
| Total general funds            | 38,874 (99,280 (91,266) 2,674 (486) 49,076 |

Designated funds

| Fixed asset fund | 2,863 |
| Market fluctuations fund | 4,222 (1,161) 3,061 |
| Total designated funds | 7,085 |
| Pension scheme deficit | (444) (87) 71 (1,278) (266) |
| Total unrestricted funds | 45,575 (99,280 (91,179) 2,745 (1,762) 54,599 |
| Total funds            | 60,206 (123,394 (116,285) 2,745 (0) 70,060 |

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 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 £222,000 (2008: £474,000) was transferred from unrestricted funds to restricted appeals 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 additional 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 appeals. At the end of the year in surplus totalled £15,142,000 (2008: £5,355,000). Appeals in deficit totalled £1,103,000 (2008: £3,227,000). A transfer of £1,447,000 (2008: £1,550,000) has been made between general and restricted funds representing appeal costs which are supported by general funds.

Brighton information and support centre

Fixed asset expenditure of £93,000 (2008: £nil), on an Information and Support centre adjacent to Brighton Cancer Centre.

Department of Health funding

Grant income from the Department of Health has been restricted to fund the National Cancer Survivorship Initiative. Funds expended to date relating to this grant total £32,344,000 and the remainder of the grant remains restricted against 2010 expenditure on the initiative following the issue of contracts to providers within the Department of Health’s financial year 2009/10.

Other funds

Other restricted funds comprise income for specific Macmillan activities. At 31 December 2009, the balance of £10,442,000 (2008: £11,383,000) is made up of:

Healthcare and information funds

Income which has been restricted to these funds has come from a variety of sources and is restricted either to clinical or informational services, including nurses, allied health professionals, clinical and information buildings and information services. The income is sometimes further restricted to either a type of post or service or to a post/service at a specific location. Funds will be expended as appropriate posts are identified or developed. The balance at the year end totalled £8,018,000 (2008: £6,308,000, including £90,000 from Cancerbackup).

Financial support and practical and emotional support funds

Income which has been restricted to these funds has come from a variety of sources and is restricted either to

financial support or daily living including carer schemes, and social work. Much of this income is restricted to a geographical area only, and it is likely that we will expend this income on Macmillan Grants to individuals. The way, however, other service developments in the area of the restriction and the income may be spent on such new service developments. The balance at the year end totalled £2,424,000 (2008: £5,075,000).

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 from this fund of £115,000 (2008: £1,870,000 to this fund) makes the value of the fund equal to the net book value of the fixed assets less any restricted fixed assets at 31 December 2009. Fixed asset expenditure financed from restricted funds are shown within the restricted fund balances.

Market fluctuations fund

The market fluctuations fund is calculated as 10% of the market value of the charity’s investments and is restricted either to funding of collaborative partnerships in Supportive and Palliative Care (SuPoC) until June 2012 (the total funding was £5 million from five NCR1 member organisations). It also made a grant of £17,000 (2008: £22,000) to help fund the Institute’s annual conference.

Maureen Rutter is Macmillan’s Director of the East Midlands and Northern Region. From May 2009 she was also a Governor of South Tees NHS Foundation Trust. In November 2009, Macmillan made three grants to the Trust: £84,000 for two years’ pump priming for a permanent Palliative Care Discharge Sister post, £23,000 for two years’ pump priming for a permanent Palliative Care Discharge Coordinator and £10,000 for a two year service review in conjunction with Teeside University.

Tara Donnelly is a trustee of Macmillan Cancer Support. Between 1 May and 1 October 2009 she worked as an independent consultant at University College Hospital (UCLH) National Institute for Health Research NHS Trust as Managing Director for Surgery and Cancer. In October 2009, Macmillan made two grants to the Trust: £35,000 for a one year Survivorship Project Co-ordinator, and £32,000 towards a project scoping out the potential for a wellness centre.

Related party transactions

Professor Jessica Corner is the Chief Clinician at Macmillan Cancer Support. She is partly seconded from the University of Southampton’s School of Nursing and Midwifery. During the year, payments of £266,000 (2008: £257,000) 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, £50,000 (2008: £5,000 for one grant only) was paid to the University towards two research awards: a scoping study about older women’s experience of breast cancer, and a study into the information support needs of relatives of people affected by cancer.

Macmillan is a member of the National Cancer Research Institute (NCR1), 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 (SuPoC) until June 2012 (the total funding was £5 million from five NCR1 member organisations). It also made a grant of £17,000 (2008: £22,000) to help fund the Institute’s annual conference.

Connected charity – Vicky Clement-Jones Trust

Following the merger between Macmillan and Cancerbackup there are two Macmillan nominated trustees on the board of the Vicky Clement-Jones Trust. The trust collects contractual donations on behalf of Cancerbackup. During the year £5,000 of donations were received by the Trust, (2008: £4,000 from the date of the merger). Nothing was remitted to Macmillan (2008: £2,000). There was a debtor balance of £7,000 at the year end (2008: £2,000).

Payments to an associated charity – National Association of Laryngecology Clubs

Macmillan has a long standing relationship with the National Association of Laryngecology Clubs. During the year Macmillan made a grant of £137,000 (2008: £135,000) to the National Association of Laryngecology Clubs, in support of the Association’s activities. The grant was made on an arms length basis.
## 18 Operating lease commitments

### The Group and Charity

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

<table>
<thead>
<tr>
<th>Expiry</th>
<th>Land and buildings £'000</th>
<th>Vehicles and equipment £'000</th>
<th>Total 2009 £'000</th>
<th>Total 2008 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>1,029</td>
<td>111</td>
<td>1,140</td>
<td>667</td>
</tr>
<tr>
<td>1-5 years</td>
<td>298</td>
<td>403</td>
<td>701</td>
<td>1,086</td>
</tr>
<tr>
<td>Over 5 years</td>
<td>1,292</td>
<td>1,292</td>
<td>1,435</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,619</strong></td>
<td><strong>514</strong></td>
<td><strong>3,133</strong></td>
<td><strong>3,188</strong></td>
</tr>
</tbody>
</table>

## 19 Pension costs

The charity operates a contributory, defined benefit pension scheme for employees who joined the scheme before 30 April 2005, the date the scheme was finally closed to all new entrants. From 1 May 2004, the charity has paid contributions for eligible employees into a 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 2009:

<table>
<thead>
<tr>
<th></th>
<th>2009 £'000</th>
<th>2008 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of the scheme assets</td>
<td>25,106</td>
<td>20,878</td>
</tr>
<tr>
<td>Present value of scheme liabilities</td>
<td>(25,392)</td>
<td>(21,322)</td>
</tr>
<tr>
<td>Net (deficit)</td>
<td>(286)</td>
<td>(444)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2009 £'000</th>
<th>2008 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Deficit) at 1 January</td>
<td>(444)</td>
<td>(3,194)</td>
</tr>
<tr>
<td>Movement in the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net expected return on pension assets</td>
<td>(116)</td>
<td>91</td>
</tr>
<tr>
<td>Current service cost net of employee contributions</td>
<td>(977)</td>
<td>(737)</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>800</td>
<td>4,941</td>
</tr>
<tr>
<td>Pension contributions adjustment</td>
<td>87</td>
<td>4,295</td>
</tr>
<tr>
<td>Actuarial gain/(loss)</td>
<td>71</td>
<td>(1,545)</td>
</tr>
<tr>
<td>(Deficit) at 31 December</td>
<td>(286)</td>
<td>(444)</td>
</tr>
</tbody>
</table>

The actuarial gain for 2009 and the loss for 2008 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 pensions contributions 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 2007. The next triennial valuation, as at 31 December 2010, will be completed during 2011.

The employer contribution rate for the year ending 31 December 2009 was 16.5% of pensionable salary. The employer contribution rate for the year ending 31 December 2010 has been set at 16.5%. The total contributions paid in the period by the charity were £800,000 (2008: £4,941,000).

For the purposes of the disclosures required under FRS17, the actuarial valuation has been updated at 31 December 2009 by a qualified actuary using the following assumptions:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>5.80%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Rate of inflation</td>
<td>3.70%</td>
<td>3.20%</td>
</tr>
<tr>
<td>Rate of increase in salaries</td>
<td>4.70%</td>
<td>5.70%</td>
</tr>
<tr>
<td>Rate of increase of both pensions in payment and deferred pensions</td>
<td>3.70%</td>
<td>3.20%</td>
</tr>
</tbody>
</table>

The overall expected rate of return on the assets of the scheme has been derived by reference to expected future long-term investment returns at the beginning of the year for each of the principal asset classes, defined broadly as equities and property, gilts and bonds and other/cash. The expected return on the scheme’s total assets is based on the weighted average of these investment returns according to the proportion of each asset class held in the scheme at the beginning of the year.

### Mortality assumptions

The following mortality assumptions were applied to the FRS17 valuation:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males at 65</td>
<td>22.5</td>
<td>21.6</td>
</tr>
<tr>
<td>Females at 65</td>
<td>25.4</td>
<td>24.4</td>
</tr>
<tr>
<td>Males at 65</td>
<td>24.3</td>
<td>22.5</td>
</tr>
<tr>
<td>Females at 65</td>
<td>27.2</td>
<td>25.3</td>
</tr>
</tbody>
</table>

The 2008 life expectancies are based on mortality tables PA92mc.

An analysis of the scheme assets and the expected long-term return rates at 31 December 2009 was as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>2009 £'000 rate of return</th>
<th>2008 £'000 rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>11,676 7.4%</td>
<td>10,615 6.8%</td>
</tr>
<tr>
<td>Bonds</td>
<td>13,346 4.8%</td>
<td>6,408 5.5%</td>
</tr>
<tr>
<td>Other</td>
<td>84 3.0%</td>
<td>3,855 2.0%</td>
</tr>
</tbody>
</table>

The following amounts have been recognised in the financial statements for the year ended 31 December 2009 under the requirements of FRS17:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2009 £'000</th>
<th>2008 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected return on assets</td>
<td>1,184</td>
<td>1,358</td>
</tr>
<tr>
<td>Interest on liabilities</td>
<td>(1,300)</td>
<td>(1,267)</td>
</tr>
<tr>
<td>Net expected return on pension assets</td>
<td>(116)</td>
<td>91</td>
</tr>
<tr>
<td>Current service cost net of employee contributions</td>
<td>(597)</td>
<td>(737)</td>
</tr>
<tr>
<td>Amount charged to statement of financial activities before pension contributions adjustment</td>
<td>(713)</td>
<td>(644)</td>
</tr>
</tbody>
</table>

The actuarial gain/(loss) charged to statement of financial activities was £71 (1,545).
Fixed assets       2,357  (4,505)  (335)  526  1,686
Percentage of scheme assets       9.4%  (21.6%)  (1.7%)  3.1%  11.6%

Experience gains/(losses) on scheme liabilities       219  357  60  (146)  (317)
Percentage of the present value of the scheme liabilities       0.9%  1.7%  0.3%  0.7%  1.8%

Total amount recognised as actuarial gains/(losses)      71  (1,545)  (445)  380  (1,895)
Percentage of the present value of the scheme liabilities       0.3%  (7.2%)  (2.0%)  1.9%  10.7%

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since 1 January 2005, is a loss of £3,434,000, (2008: £3,505,000 loss). The actual return on scheme assets for the year was a gain of £3,541,000, (2008: £3,147,000 loss).

Fair value of the scheme assets  25,106  20,878  19,162  17,190  14,515
Fair value of scheme assets at 31 December  25,106  20,878  19,162  17,190  14,515

Net (deficit)  (286)  (444)  (3,194)  (2,594)  (3,150)

Changes in the fair value of the scheme assets are as follows:  2009  2008
Fair value of scheme assets at 1 January  20,878  19,162
Expected return on scheme assets  1,184  1,358
Contributions  1,140  5,331
Benefits paid  (453)  (468)
Actuarial gain/(loss)  2,357  (4,505)
Fair value of scheme assets at 31 December  25,106  20,878

Changes in the present value of the defined benefit liabilities are as follows:  2009  2008
Present value of liabilities at 1 January  21,322  22,356
Current service cost  937  1,127
Interest on liabilities  1,300  1,267
Benefits paid  (453)  (468)
Actuarial gain/(loss)  2,286  (2,940)
Present value of liabilities at 31 December  25,392  21,322

Status
The organisation is a charitable company limited by guarantee, incorporated on 30 June 1989 and registered as a charity in England and Wales on 21 June 1989 and in Scotland on 1 October 2008.

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

Company number 2400969
Charity number 261017
Scottish charity number SC039907

Registered office and operational address
89 Albert Embankment
London SE1 7UQ

Patron
HRH The Prince of Wales

President
The Countess of Halifax

Chairman
Jamie Dundas

Treasurer
Joe MacHale

Company Secretary
Victoria Benson

Chief Executive
Carin Devane

Senior Management Team
Fundraising
Amanda Bringsans
Improving Cancer Services
Simon Obarst
Finance, ICT and Facilities
Chris Hunt
External Affairs
Lynda Thomas and Hilary Cross
Corporate Development
Juliet Bouverie
Scotland, Northern Ireland and Wales
Elsbeth Atkinson
East Midlands and Northern England
Maureen Rutter
London, Anglia and South East England
Stephen Richards
Central and South West England
Stephen Richards
General Manager for Northern Ireland
Heather Montereve
General Manager for Wales
Cath Lindley

Bankers
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280 Bishopsgate
London EC2M 4RB

Lloyds TSB Bank Plc
33–33a King’s Road
London SW3 4LX

Solicitors
Withers
16 Old Bailey
London EC4M 7EG

Investment Managers
JP Morgan Private Bank
125 London Wall
London EC2Y 5AJ

Auditors
BDO LLP
Chartered accountants and registered auditors
Emerald House
Epsom
Surrey KT17 1HS

For the year ended 31 December 2009

20 Merger between Macmillan Cancer Support and Cancerbackup
Cancerbackup and Macmillan Cancer Support merged on 31 March 2008. At this time all of the assets and liabilities of Cancerbackup were transferred to Macmillan Cancer Support.

As at 31 March 2008

Fixed assets  2,032
Shares  7
Debtors  512
Cash  (51)
Creditors  (291)

2,209
Thank you

Countless individual supporters, a great number of companies and trusts have given their support, including:

ABB
The H B Allen Charitable Trust
Alliance Boots
Alliance Pharmacy
Amlin PLC
Aramark
Ascentium
Automated Vending Association
Avis
Aviva Healthcare
BACTA
The Balcombe Trust
Barclays
BBC Children in Need
Mr and Mrs C Bertram
Birmingham City Council
The Birmingham Mail
The Bonita Trust
Bonmarché
Botanic’s Inn
Bournville College
Brabners Chaffe Street Solicitors
British Constructional Steelwork Association
Bill Brown’s Charitable Settlement of 1989
BSkyB
Buildbase
The Derek Butler Trust
Capite Group
Card Factory
CEVA Logistics
The Childwick Trust
Churchill Retirement Living
The City Bridge Trust
Clarks
Computacenter
Co-operative Insurance
Coventry Building Society
Dairy Crest
Mr Clive Daniels
De’Longhi
Dentons Wilde Sapte
E B M Charitable Trust
Egremont
Experian
Nicole Folbigg
Ford Motor Company
Forever Living
The Foster Wood Foundation
The Charles Henry Foyle Trust
GE
Girdler’s Company Charitable Trust
GlaxoSmithKline
Graham Goodwin of Hay-on-Wye
The Shona Gooling Trust
Greene King
Halfords
The Peter Harrison Foundation
Rob and Sally Harrop
Mr Marc Hotinsky
The Houghton Dunn Charitable Trust
IKEA
JCT600
Jim McGrath Racing
JJB Sports
John Lewis
Mr and Mrs Gordon Johnson
The Jordan Charitable Foundation
JP Morgan Asset Management
Julian Graves Ltd
Mr Denis Greenslade
Mr & Mrs Robert Kilgour
The Jimmy Knapp Cancer Fund
Land Registry
Lloyd’s Pharmacy
The Mackintosh Foundation
The Ian MacTaggart Trust
The McGrath Charitable Trust
Maplin
Marks and Spencer
Mclay Murray & Spens
Jo Martin Cancer Care Trust
The Mason Le Page Charitable Trust
The Brian Mercer Charitable Trust
Mitchells of Lancaster
Monarch Airlines
Monitor Group
Mrs Beryl Moore
The George A Moore Foundation
Mota
The Miss Evelyn M Murdoch Charitable Trust
The National Gardens Scheme
Nationwide Building Society
New Look
Next
Stavros Niarchos Foundation
The Northwood Charitable Trust
npower
NFU Mutual
O2
The Ofenheim Charitable Trust
Sir Robert Ogden CBE
OUTFIT
Paul Nicholas and David Ian Associates and the production of Grease
The Peacock Charitable Trust
Peter Rowland and Selwyn Kendrick
The Pharsalia Charitable Trust
PJ McGowan
Plow Hatch Hall Trust and Joe and Dora Winter
Poundland
Richard and Christine Purchas Charitable Trust
Racoon International
Mr Christopher Rice
The Robertson Trust
Royal Bank of Scotland Group
Royal London
RT Autos
Shell UK
Shepherd Homes Ltd
The John Slater Foundation
Mr Peter Smith-Nicholls
Smooth Radio
Somerset
South Birmingham College
Spirit Aerosystems
The Sovereign Health Care Charitable Trust
The Streat
The Tom and Sheila Springer Charity
SSP
Sir Hugh and Lady Sykes
Stena Line
Sytner Group
Sweets 4
Swiss Re
Tayside NHS Board Endowment Fund
Tesco
The Thomson Charitable Trust
Waitrose
Waterstones
Whittard of Chelsea
William Hill
The Wolfson Foundation
York Racecourse
Macmillan Cancer Support improves the lives of people affected by cancer. We provide practical, medical, emotional and financial support and push for better cancer care. One in three of us will get cancer. Two million of us are living with it. We are all affected by cancer. We can all help. We are Macmillan.