HOW WE HELPED ROCIO AND OVER 5 MILLION OTHERS
Welcome

We hope you enjoy reading about all the great work we got up to in 2014. And if you flick to the sections at the back, you can see our accounts and read about how we manage things.

But before you go anywhere, we’d just like to take this chance to say a very big thank you. Last year was nothing short of exceptional. We’re very lucky to have so many passionate people making our work possible.
When Rocio was diagnosed with breast cancer, she says it felt like the floor caved in. And because her family live in the Caribbean and her boyfriend is based 300 miles away, she initially felt very isolated.

But shortly after her diagnosis, Rocio was put in touch with Alison from her local Macmillan information centre. Rocio says, ‘Alison let me cry and sob and got me to talk through my fears. She’s been like a lifeline ever since.’

Rocio also received support from Tracey, a Macmillan benefits adviser, who helped her with her financial worries. Rocio adds, ‘I think feeling positive helps. It helps you get through it. And that’s what Macmillan gives you.’

Can you help us reach more people like Rocio?
Call 0300 1000 200 or visit macmillan.org.uk/getinvolved
Introduction
from the Chief Executive and Chairman

2014 was a year of strong achievement, challenges and change for Macmillan. Every year, Macmillan seems to go from strength to strength and 2014 was no exception. In fact, we spent a record £151.7 million on helping people affected by cancer, a 25% increase from the year before.

Macmillan also reached 5.4 million people affected by cancer in 2014. This includes almost 703,000 people who received face-to-face support from Macmillan healthcare professionals, plus another 480,000 people who were helped by our free information services in person or over the phone. Additionally, we now have over 5,600 healthcare posts, including 300 new Macmillan nurse posts.

2014 was also the year we said a sad farewell to our former Chief Executive, Ciarán Devane, who is now the Chief Executive of the British Council. He achieved a huge amount for Macmillan, and we wish him well. We now look forward to the next part of Macmillan’s story.

How we’re changing cancer care

Last year, we invested in a small number of large, long-term projects that will change the way people receive cancer care. For example, in Northern Ireland we’ve completely transformed the way people with breast cancer receive follow up care, which has reduced waiting lists by 28% – an incredible achievement.

As well as big investments like this, we reached people in a range of other innovative ways. To help GPs spot cancer earlier, we made our Cancer Decision Support Tool available free of charge to GP practices. We helped more employers to support their staff affected by cancer. More people received a holistic assessment of their needs and a tailored care plan.

In 2014, we saw significant investment in tried and tested Macmillan services. This includes giving out £9.9 million in Macmillan grants to 33,000 people affected by cancer on low incomes. As well as this, seven new information centres were opened, including our state of the art Sir Robert Ogden Macmillan Centre in Harrogate.

At the Southmead Hospital in Bristol, we also opened the National Gardens Scheme Macmillan Wellbeing Centre, which includes Cherry Tree Garden, a peaceful space where people affected by cancer and their families can relax.

Influencing at the highest level

In advance of the 2015 general election, we successfully lobbied all major political parties to commit to improving cancer care in their manifestos. We were delighted to see the 2014 Care Act pass through parliament, which will ensure that more carers are identified and supported at the earliest opportunity.

We also took giant strides towards ensuring that every nation in the UK conducts a patient experience survey about issues facing cancer patients. The Welsh Government published results from their first Cancer Patient Experience Survey and Scotland and Northern Ireland committed to conduct one soon. This is in addition to the survey already carried out in England. These surveys will help to make sure people’s experiences of care are taken very seriously.

What next for 2015?

In early 2015, the number of people living with cancer in the UK hit the 2.5 million mark. That’s not including all the friends and family affected by a diagnosis.

To make sure no one faces cancer alone, we will continue to work tirelessly to inspire new supporters and to reach even more people and make an even bigger difference to their lives.

In 2015, we expect to see continued growth in charitable expenditure, following the substantial increase in 2014. In addition to investing in new posts and services we will increase our work to improve the quality of the posts and services that we have funded in previous years, to ensure they are having the greatest possible impact.

We are enormously grateful to all the supporters, volunteers, professionals, partners and staff who made 2014 so successful. Last year, we were able to raise a record-breaking £215.2 million, an unbelievable 15% growth from 2013. It’s wonderful to see Macmillan get bigger and better year on year.

Thank you for making it all possible.

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

Julia Palca
Chairman
Julia joined Macmillan’s Board of Trustees in October 2001 and was elected Chairman in July 2010.
The journey

Last year was full of wonderful moments. Here are just a few highlights from 2014, as well as some snaps we took along the way.

01/ January
To raise money, 78 staff from npower dressed as penguins for a dip in the sea.

02/ February
We launched our Improving the Cancer Journey partnership (see page 32). Initially this focused on five types of cancer, offering newly diagnosed cancer patients in Glasgow medical, financial, emotional and practical support.

03/ March
Macmillan benefits advisers in Manchester celebrated helping over 5,900 people receive over £30m in government benefits and Macmillan grants since 2006.

04/ April
994 runners took part in the London marathon for Macmillan, raising £1.2m.

05/ May
Our event Really Good Night In took place for the second year, raising almost £2m.

06/ June
We had a garden at the Hampton Court Palace Flower Show to help us promote legacies, and won a silver medal.

07/ July
We launched our Can we live with how we’re dying? report setting out our call for free social care at the end of life.

08/ August
In partnership with England’s National Cancer Intelligence Network we launched our Local Cancer Intelligence tool for commissioners (see page 32).

09/ September
The World’s Biggest Coffee Morning took place, raising a record £24m.

10/ October
As a result of Macmillan’s and other organisations’ campaigning, statutory guidance was introduced to the Care Act. From April 2015, the NHS and local authorities in England are required to work together to identify carers.

11/ November
Our Transforming Cancer Follow Up programme in Northern Ireland won the Independent Healthcare Management Quality and Innovation Award.

12/ December
We supported the All Party Parliamentary Group on Cancer to organise the Britain Against Cancer Conference, where NHS England committed to developing a new strategy to improve cancer services in England.
About us
Since 1911, Macmillan has been supporting people affected by cancer.
And over a hundred years later, we're still going strong.

Who we are
At Macmillan, we know how a cancer diagnosis can affect everything and we're here to support people from the moment they're diagnosed, through their treatment and beyond.

From help with money worries and advice about work, to someone who'll listen if people just want to talk, we'll be there. We'll help them make the choices they need to take back control, so they can start to feel like themselves again.

We are millions of supporters, professionals, volunteers, campaigners and people affected by cancer. Together, we are all Macmillan.

The challenge
Today, there are 2.5 million people living with cancer in the UK. By 2030, it'll be 4 million. And in five years from now, nearly half of the UK population will be diagnosed with cancer in their lifetime. This increase is partly because of improved treatments, as well as the fact that people are living longer. Of course, this is good news. But it does mean that cancer services will need to change radically to support a lot more people.

We want to make sure everyone gets all of the support they need.
That's why Macmillan is leading the way in transforming cancer care by piloting new services and developing existing ones.
Cancer can be the loneliest place. No one should face it alone.

Our aim
We want to reach and improve the lives of everyone living with cancer and to inspire millions of others to do the same.

To help us do this, we've identified nine things we want everyone living with cancer to be able to say. These statements, also called the Nine Outcomes, influence all of our work.
1. I was diagnosed early.
2. I understand, so I make good decisions.
3. I get the treatment and care which are best for my cancer, and my life.
4. Those around me are well supported.
5. I am treated with dignity and respect.
6. I know what I can do to help myself and who else can help me.
7. I can enjoy life.
8. I feel part of a community and I'm inspired to give something back.
9. I want to die well.

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Our supporters
Our work is only possible thanks to our supporters. From holding coffee mornings to volunteering in the community and campaigning for change, they do all sorts to help people affected by cancer.

As the number of people diagnosed with cancer increases, we need the help of our supporters now more than ever before. Only together will we be able to reach everyone affected by cancer in the UK.

To find out more about fundraising, volunteering or campaigning for Macmillan, call 0300 1000 200 or visit macmillan.org.uk/getinvolved

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How we raised our money

Our superb supporters raised a record £215.2 million in 2014 – that’s £28.4 million more than the year before.

Legacies
£62 million
Gifts in wills are our biggest source of income.

Fundraising events
£47.4 million
This includes national events, challenge events and local events.

Direct marketing
£47 million
This is money raised by things like direct debits and door drops.

General donations
£24.3 million
We raise lots of money from unsolicited donations by the public.

Trust and corporate income
£23.1 million
This is income from corporate supporters and charitable trusts.

Local fundraising committees
£8.7 million
Groups of volunteers raise millions by fundraising in their community.

Donated services and facilities
£1.6 million
We’re extremely grateful for services and facilities donated to us.

Merchandising income
£1.1 million
This includes income from Christmas cards, our online shop and more.

Total fundraised income: £215.2m

Other
£3.2 million
This figure includes grants received and income from investments.

Total income: £218.4m
How we spent our money

Last year, we spent a record £151.7 million on services for people affected by cancer, £30 million more than in 2013.

Healthcare
£56.5 million
We fund and support a range of health and social care professionals.

Information and support
£26.1 million
These services help people make informed decisions about their treatment and care.

Financial support
£24 million
This includes Macmillan grants, benefits advice and financial guidance.

Campaigning and raising awareness
£21.7 million
We campaign for change and raise awareness about the realities of living with cancer.

Practical and emotional support
£15.3 million
We help people find emotional support and get help with practical issues.

Learning and development
£5.7 million
This includes training opportunities for professionals, volunteers and people affected by cancer.

Inclusion
£2.4 million
We want everyone to feel supported, no matter who they are or where they live.

Total charitable £151.7m
Governance £1.1m
Fundraising £68.4m
Other £0.3m

Our total expenditure £221.5m
How we helped people*

Last year, our services were accessed 9 million times and 1.5 million people received support in person or over the phone. On these pages, you can see how many times each of our services helped people.

- Healthcare services 793,000 people helped
- Financial support services 123,000 people helped
- Practical and emotional support services 49,000 people helped
- Information and support services 568,000 people helped (excluding website and information resources)

*People helped may not equate to unique people helped, due to people accessing more than one Macmillan service in 2014. Services shown on the page add up to more than overall totals due to rounding.
How many people we reached

At Macmillan, we want to support everyone living with cancer, as well as all the friends, family and carers around them. Last year, we were delighted to reach 5.4 million people.

1.8m People living with cancer
0.5m Carers
3.1m Friends and family
5.4m People helped total

After Claire was diagnosed with cancer in 2012, she was told on several occasions that she had weeks to live. But she was determined to carry on as normal – and that was made possible in part by her Macmillan nurse, Mandy.

Claire said, ‘When I’m feeling really bad, Mandy’s always my first port of call. Especially if I’m really suffering with pain – that’s an ongoing issue. And I know that my husband, David, calls on her when I’m particularly poorly.

‘Macmillan seem to have all the answers, or at least a lot of them. They’ve had all the answers for me. And I know that if my family or friends need anyone, I can give them Mandy’s number. She’s fantastic.’

To help us give more people like Claire all of the support they need, call 0300 1000 200 or visit macmillan.org.uk/getinvolved

Sadly, Claire passed away in February 2015. We’re very grateful to her family for letting us tell her story.
Healthcare services

Macmillan funds and supports thousands of professionals, who provide expert, one-to-one care. And we also work to improve the places people are treated in, as well as how they’re supported. Because we believe everyone affected by cancer should receive the best healthcare possible.

What we achieved in 2014

Reaching more people
Macmillan professionals reached almost 703,000 people affected by cancer last year, 5% more than in 2013. We also increased our number of healthcare professional posts by 8% to over 5,600, which includes another 300 nurse posts and 80 allied health professional posts. These new posts are helping us achieve our aim of reaching more people.

Supporting professionals
Last year, we did a lot of work to meet our aim of improving our learning and development offer for Macmillan health and social care professionals. This included working with Macmillan professionals to create a single, UK wide range of courses tailored to the different stages of their career.

We also tested and launched a new national coaching programme for Macmillan professionals. The programme helps professionals to grow in their role, develop services and handle challenges at work.

And we launched our Macmillan Professionals Alumni programme. Thanks to this programme, professionals can stay in touch and support our work even after they retire or move on to other roles. Their work includes raising awareness with other professionals about Macmillan’s services, helping us reach more people affected by cancer.

By supporting professionals like this, we can help them give people affected by cancer the best possible care and support.

Tools and courses for professionals
In 2014, we set out to support primary care professionals to diagnose cancer earlier and to provide effective cancer and palliative care.

This work included sharing across the UK an innovative tool (called the Cancer Decision Support Tool) that helps GPs calculate a patient’s risk of having cancer. We made the tool free to all GP practices and it will improve earlier diagnosis, particularly for rarer cancers. It even won a prestigious Health Service Journal award – the Value in Healthcare award for Improvement in Information and Technology.

As well as this, we continued to deliver our GP Update course, which reached over 1,200 GPs. This course equips GPs with the most up-to-date guidance and evidence to prevent, screen and diagnose cancer. With one in three people dying a year after diagnosis, often because their cancer is detected too late, this tool and course are both extremely important.

Specialist care at home
We succeeded in our aim to launch six pilot projects that will run into 2016. These will follow our successful tried and tested model in Midhurst for providing specialist care to support people to die at home. The model brings together teams of different professionals and volunteers to provide coordinated treatment and support.

We want to help more people with cancer across the UK die in the place of their choosing, which for thousands of people is their home. Our model was recognised at the Quality in Care Oncology Awards and we were commended for our end of life care and bereavement support.

New building projects
We opened two new clinical environments and seven information and support centres, two more than originally planned (see page 23 to read more about our information and support centres).

This included our state of the art Sir Robert Ogden Macmillan Centre in Harrogate, which enables more people to now be treated nearer to home. These environments have all been built around the needs of the individual so that they’re supported with personal, emotional and practical matters, as well as their medical condition.

On top of this, we awarded our Macmillan Quality Environment Mark to 33 cancer care environments that meet the high standards that we believe all facilities should provide. Through our mark, we publicly recognise those environments that provide cancer care in welcoming, supportive and accessible environments.

In total, we’ve helped 147 services across the UK achieve this mark since 2009.

Promoting physical activity
Through our Walking for Health initiative run in partnership with the Ramblers, we encouraged more people living with cancer to take part in free walking schemes in England. Physical activity like this can have major health benefits, helping with issues such as depression and even reducing the risk of certain cancers returning.

What’s more, we also secured national news coverage about how walking one mile a day can reduce the risk of dying from cancer by up to 40% for people diagnosed with breast cancer, and up to 30% for prostate cancer. And in Glasgow, Fife and Dundee, we started new schemes to help people to become active as part of our Move More programme.

Our aims for 2015

• To continue to support and increase the effectiveness of NHS services by funding new Macmillan professional posts.

• To continue working with our six pilot sites to test and promote the Macmillan model for providing specialist palliative care at home so that more people can across the UK can die in the place of their choosing.

• To launch our new learning and development offer for Macmillan professionals to support their professional development. In doing so, we’ll continue to help professionals to keep improving the care they provide.
When Gary was diagnosed with throat cancer, his intensive treatment plan left him with some devastating side effects. His tongue was burnt and ulcerated and he struggled to talk or eat.

Through it all, he was supported by a team of Macmillan professionals, including Karen, his consultant radiographer. She answered his questions, explained his treatment and provided emotional support.

There are many ways Macmillan helps professionals like Karen, such as by providing free resources. Karen says, 'Macmillan does so much good work, not only to support posts like mine, but also to help people with cancer.'
Information and Support services

Our services provide free and confidential advice and can be accessed in person, online or over the phone. And we know that Macmillan information resources help people to understand their situation, make informed decisions and can significantly reduce their feelings of anxiety.

What we achieved in 2014

Our support line and information resources
We provided help to 62,000 people through our Macmillan Support Line last year, providing expert answers to their questions about cancer or just being there for a chat. Where appropriate, we also referred people to our financial services (see page 25). In total, our support line answered over 148,000 calls in 2014. We had aimed to answer 159,000 calls but received fewer than expected. Our support line specialists also delivered 44 Q&A sessions on both Facebook and our Online Community, providing information to at least another 15,800 people.

More people are now also accessing information online, with over 4.05m people visiting our information and support webpages last year. As well as this, over 3.43m people used our information leaflets and resources last year. These resources are designed to help people affected by cancer understand a whole range of issues and they’ve been written with input from medical experts and people who’ve experienced cancer.

Information and support in local communities
Macmillan has mobile information services that visit high streets, communities and events. We set out to bring our information and support to different communities across the UK, and to reach people that otherwise we might miss. Last year, these services helped record numbers, almost 79,000 people, 31% above our target of 60,000.

Thanks to our partnership with Boots, we can also reach people in their high street stores. At the end of 2014, there were more than 2,000 Boots Macmillan Information Pharmacist posts (12% more than in 2013). These pharmacists – who helped over 55,000 people last year – are trained to answer questions about cancer and to direct people to appropriate support.

As well as these posts, there are also 470 No.7 Boots Macmillan Beauty Advisors working in Boots stores. These beauty advisors have been trained to help people who are worried about the visible side effects of cancer treatment, such as hair loss. Last year, they reached over 11,000 people.

Information and support centres
Our information and support centres are places where people can drop-in to pick up free leaflets or to ask any questions. In 2014, the expert advisers and trained volunteers at these services offered information and support to nearly 275,000 people. What’s more, we opened seven new or refurbished services, which was two more than planned and brings our total number of services up to 191.

In partnership with Glasgow Life, we also continued our work to bring cancer information and support to libraries and leisure centres across Glasgow. Our evaluation has shown that the main reason people approach these services is for emotional support – to simply talk with someone who understands. And people have told us that they really value the knowledge of our volunteers and their compassionate listening.

And finally, we helped 137 of our face-to-face information and support services to start to improve their long-term sustainability and to achieve our mark of excellence, the Macmillan Quality in Information and Support Services Standard.

Volunteers delivering our services
In 2014, we launched four new types of volunteering roles that get people helping out with the information and financial support services we deliver directly to people affected by cancer. The 364 volunteers who filled these roles volunteered more than 6,200 hours last year, helping more people access our expert services. These volunteers manned our mobile information services, took calls on our support line and helped people complete welfare benefits forms. (Please see page 25 for more information about our financial support services.)

Our aims for 2015

• To continue to provide support through our Macmillan Support Line and online through our website and Online Community.
• To use new approaches to reach different groups of people through our mobile information and support services.
• To continue our quality improvement programme for local face-to-face services.
• To develop new and sustain existing face-to-face information and support services across the UK.
Having lost her mother to breast cancer, Philomena always took care to go for regular mammograms – but her diagnosis still came as a shock. ‘All these medical words were being thrown at me and leaflets handed to me. I just thought, why me?’

A few days later, Philomena called the Macmillan Support Line. She says, ‘I must have been on the phone a couple of hours just spilling my guts, letting it all out. That young man was my rock. I could tell him how I felt and he put me at ease.’

Philomena says she wouldn’t have got through it all without Macmillan. ‘On my down days, I knew I could pick up the phone anytime. You can’t talk the same way to your family and friends because you love them so much, you don’t want to burden them.’

Financial help services
If you’ve been diagnosed with cancer, the last thing you want to worry about is money. That’s why we provide all sorts of financial support. This includes benefits advice, grants and financial guidance. And we work with other organisations to improve financial services and also campaign for change.

What we achieved in 2014

Benefits advice
At Macmillan, we provide free advice to help people claim the benefits they’re entitled to, so that they don’t have to struggle with the costs of cancer.

Last year, the Welfare Rights team on our support line helped nearly 20,000 people to access £51.7 million in benefits, exceeding our financial target of £46 million. This is despite recent major changes to the benefits system that have made it more complicated to claim benefits.

However, our Welfare Rights team did not reach the 25,000 people we initially aimed to, and we revised our target mid-year to 16,000. This is because our support line received fewer calls than expected, as well as the fact that government welfare reforms are complex, which means that calls now take longer.

In 2014, our local benefits advice services also helped nearly 65,000 people gain £181.4 million in benefits. These advisers work in the community to help people in partnership with local services like Citizens Advice Bureaux.

Our Financial Guidance Service also continued making a big difference, helping nearly 5,000 people secure £2.9 million in financial gains. (‘Financial gains’ refers to the extra money we’ve helped people receive, as well as the money we’ve helped them save.) This service helps people affected by cancer make informed decisions about mortgages, pensions, savings and much more.

Finally, we developed a plan to find new ways to fund and deliver these services, testing this in several areas of England. This is so that we can find a sustainable future model for our services.

Macmillan grants
In 2014, we gave £9.9 million in Macmillan grants to just over 33,000 people affected by cancer, just exceeding our aim of giving £9.5 million in grants to 33,000 people. These one-off grants help people affected by cancer on low incomes pay for essentials, such as heating or clothing.

Cancer’s financial burden
If you’ve been diagnosed with cancer, you may have to stop working or face extra expenses such as higher fuel bills. As a result, four in five cancer patients are hit with an average cost of £570 every month. It can be a huge burden at an extremely difficult time, which is why helping people with money worries is so vital to our work.

123,000 people helped
See page 15 for figures.
New financial support partnership
We launched a new partnership with the debt advice charity Stepchange and through referrals helped almost 600 people affected by cancer to them. This resulted in more than £5.3 million of debt being handled by asking creditors to write it off or arranging debt management plans.

Raising awareness
We aimed to raise awareness about the financial issues faced by people affected by cancer and to influence welfare reforms and the banking sector.

Throughout 2014, we campaigned for improvements to the Personal Independence Payments benefit that people with cancer receive. Our campaigners contacted 574 MPs about the fact that we discovered most people with cancer had to wait over four months before receiving the benefit, with one in four people waiting over six months. We called on the government to reduce the total time taken for claims to be completed down to 11 weeks. As a result the Department of Work and Pensions made significant progress in cutting the time taken by assessment providers from 30 to 18 weeks between June and December. We continued to call for the overall time people wait to be reduced further.

We also worked with the British Bankers Association to develop important new guidance about how banks can best support customers affected by cancer and other long-term conditions.

In 2014, almost 1,800 employers signed up for Macmillan at Work giving them access to resources and training to support them to manage cancer in the workplace. Over 8,700 employers have now received our Essential Work and Cancer Toolkit since it launched in 2011. Through these employers, our Macmillan at Work support programme has reached an estimated 13.5 million employees across the UK.

Our aims for 2015
• To make it easier for people affected by cancer to access financial and welfare support. We will navigate the complex national and local welfare system to help 16,000 people affected by cancer receive £47 million in benefits, and keep helping people affected by cancer identify financial gains.

• To reduce financial problems for people affected by cancer by actively campaigning on specific issues and raising awareness about the issues they face.

• To increase take up of our Macmillan at Work service to help employers provide the right support for employees affected by cancer.

• To give £10.5 million in Macmillan grants to 35,000 people affected by cancer.

When Shola had to give up work to have cancer treatment, she soon encountered financial problems. But thanks to Fiona, a Macmillan benefits adviser, she was able to get the support she urgently needed.

Shola says, ‘I felt so overwhelmed by the benefits system but Fiona helped me with my application. I probably wouldn’t have done it on my own, so I would have lost out on vital financial support. You’ve not only got to deal with cancer – you’ve got to deal with the other problems that go with it. And having financial concerns is a very big aspect. It can be quite overwhelming.’
Practical and emotional support services

Cancer affects everything, not just your health. Many people face emotional and practical challenges, plus lots of people of all ages are responsible for caring for their loved ones. At Macmillan, we’re working to ensure everyone affected by cancer can get that right support, at the right time, to help with all of their needs.

What we achieved in 2014

Supporting carers
In the UK, there are more than one million people looking after someone with cancer. But less than half of these people think of themselves as a carer or realise support is available. That’s why we set out in 2014 to influence decision-makers so that more is done to help people identify themselves as carers and to access support.

To do this, we campaigned to influence the Care Bill and launched our Do you care? report, which included recommendations for key improvements. In England, we succeeded in influencing the Care Act so that statutory guidance was put in place to make the NHS and local authorities responsible for identifying carers and offering them support.

Thanks to our campaign, we also ensured the identification and support of carers was prioritised in NHS England’s Commitment to Carers and the Department of Health’s Carers Strategy. Plus we secured commitments from Labour and the Liberal Democrats to do more for carers as part of our general election campaign.

Finally, we also published practical guidance for hospitals and top tips for professionals to help them support carers as much as possible.

Free social care at end of life
Most people with cancer at the end of their life want to spend their last weeks and days at home, in a familiar place surrounded by loved ones. But right now, only 29% of people are able to do so.

Last year, we started campaigning for UK political parties to commit to providing free social care at end of life in their General Election manifestos (see page 31). By the end of 2014, more than 3,000 people had emailed over 600 MPs and more than 15,000 people had signed our online petition.

As a result of our campaign, Labour committed to introduce free social care for people at the end of life. The Liberal Democrats also voted in favour of the policy at their party conference.

Volunteers in the community
We met our aim of establishing more volunteer-led schemes that provide practical and emotional support to people affected by cancer. These schemes see people helping by doing little things that make a big difference, such as shopping, picking up prescriptions or simply listening.

Last year, 470 volunteers provided support to people affected by cancer more than 7,000 times, up from 800 times in 2013.

We also launched and evaluated our pilot Team Up website project in Brighton and Hove, which connects volunteers with people needing help. We engaged the local community in the project and developed good relationships. In 2015, we will continue testing and evaluating the pilot to learn as much as we can from it.

Support groups
We funded the setting up of 50 new self-help and support groups (bringing the total to 880) and continued developing many other existing groups across the UK. These groups give people affected by cancer the chance to meet others who have been through similar experiences.

Cancer’s everyday challenges
When you’re affected by cancer, things like getting to the shops or cleaning the house can be extremely challenging. What’s more, we also know that many people affected by cancer feel isolated, particularly after treatment ends.

49,000 people helped
See page 15 for figures.

Good Together project
Last year, we aimed to deliver four Good Together partnerships, where we work with other organisations to deliver events that bring people together over shared interests. We changed our approach during the year and as a result delivered one partnership. We still want to bring people together over shared interests, but in future partnerships we also want to ensure they receive support to help themselves at the same time.

Online Community
Our Online Community was visited almost 338,000 more times in 2014 than the year before (a 31% increase), with over 1.4 million visits in total. The Online Community is a great source of support, bringing people together online to chat, write about their experiences and share their advice.

Our aims for 2015

- To develop new face-to-face volunteer-led practical and emotional support schemes and to continue supporting existing ones. These schemes help us support more people in their community.
- To continue developing peer support, including self-help and support groups, to bring people affected by cancer together to share their experiences.
- To continue influencing decision-makers to ensure 2014 commitments to help carers are implemented.
- To work with local authorities to explore how to improve practical and emotional support for people with cancer and their carers, whether that’s in hospital or in the community.
What we achieved in 2014

General Election
Last year, we launched our general election campaign for Westminster that called for all major political parties to commit to three things in their manifestos. These were to care for cancer patients with the highest levels of dignity and respect, to commit to delivering cancer survival rates that match the best in Europe, and to provide free social care at end of life so people can spend their final moments in the place of their choice (see page 28 for more details). In 2014, each of the three main political parties publicly indicated that they’d support at least one of our calls in their manifestos.

Influencing national cancer care

In Wales, we also successfully influenced the Welsh Government’s Cancer Implementation Group for key improvements in cancer care to be included as priorities for 2015-16. This included calling for people with cancer to receive a holistic assessment of all of their needs and a tailored care plan.

Cancer Patient Experience Survey
Last year we were delighted when, as a result of our influencing, the Scottish government committed to developing a Cancer Patient Experience Survey. At Macmillan, we want people with cancer from across the UK to be surveyed about their experiences as a patient, so that experiences of care are taken as seriously as clinical outcomes. Similar surveys have already been carried out in Wales and England, as well as Northern Ireland, which did one in early 2015. This means that the entire UK will soon have a much better understanding about the issues facing cancer patients and how to address them.

Improving early diagnosis
We continued supporting the All Party Parliamentary Group on Cancer, which brings together MPs and peers to help improve cancer services. Last year, the group focused on raising awareness and urging action on improving early diagnosis, including promoting earlier diagnosis by introducing national progress indicators on one-year and five-year survival rates. Late
diagnosis of cancer results in poor survival rates, so introducing these indicators will support Clinical Commissioning Groups to focus on promoting ways to improve earlier diagnosis.

Redesigning the system and improving local cancer care

In 2014, we continued a number of major projects across the UK that are looking at introducing new services and improving, or redesigning, existing ones. The aim is to improve coordination of care and to make services more integrated for people affected by cancer.

In Glasgow, we launched a project called Improving the Cancer Journey. This gives newly diagnosed patients an assessment to identify their needs so they can access all available support. And we publicly launched a programme in Manchester that will radically change how cancer care is given to people with lung or breast cancer.

We also continued to support the NHS Clinical Commissioning Groups in Staffordshire and Stoke-on-Trent to design a programme to help improve cancer survival rates, patient experience and ensure more people can die in the place and manner of their choosing. At the moment the system is complicated, chaotic and not working. To address this, one organisation will be appointed to take responsibility for coordinating cancer and end of life care services. Macmillan’s role is to facilitate and advise, not coordinate the care ourselves. Most importantly, we ensure patients are heard and their needs are put at the heart of this programme.

And in Northern Ireland, the Transforming Cancer Follow Up programme has redesigned how people receive follow up care for breast and prostate cancer. This programme has been run in partnership with the Health and Social Care Board, Public Health Agency and Northern Ireland Cancer Network. In 2014 (the third year of the programme), 58% of newly diagnosed breast cancer patients are now on a self directed aftercare pathway. As a result, waiting lists for follow up appointments with breast cancer surgeons in Northern Ireland have reduced by 28%. This allows people with complex needs to have more time with clinicians and has improved the coordination of follow up care.

At a local level we also worked to improve local cancer care. For example we helped many Macmillan GPs to develop their influencing skills through a support and learning programme, to help them call for improved cancer services in their area. Macmillan GPs now also cover 130 out of 211 Clinical Commissioning Groups in England. And we continued to support our 2,600 Cancer Voices. We helped them to become involved in activities such as campaigns and research, and for 160 of them to contribute toward shaping the government’s policy on compassionate care.

Understanding survivorship

In partnership with the National Cancer Intelligence Network, we launched a new online tool called Local Cancer Intelligence. This tool gives NHS commissioners key information about the needs of people with cancer in their area, helping them decide what services are required. We also published our Routes from Diagnosis report, the most detailed map of cancer survivorship yet, which looks at what happens to people after their cancer diagnosis.

The Recovery Package

Last year, we succeeded in our aim to call for the Recovery Package to be commissioned in more places across the UK. For example, we engaged with all Clinical Commissioning Groups in England to encourage them to adopt the package and persuaded many to do so, including all of London’s Clinical Commissioning Groups.

The Recovery Package suggests a combination of things a professional can offer to make sure people living with and beyond cancer get all of the support they need. It helps people to self-manage their condition and also improves coordination of care and the identification of unmet needs. As part of the Recovery Package, we have also been piloting our electronic Holistic Needs Assessment tool. This is a questionnaire that people complete on a computer to identify their unmet needs and then professionals use this to create a tailored care plan. At the end of 2014, 53 hospitals used the tool and over 5,000 care plans had been produced.

Inspiring more supporters

With more people being diagnosed with cancer than ever before, we aimed to continue raising awareness about our urgent need for support. This saw us engage with thousands of campaigners who took over 43,000 actions to influence decision-makers, such as signing a petition or emailing an MP.

Our aims for 2015

• To continue to call for the Recovery Package to be commissioned by local healthcare service providers and made sustainable, and facilitate its adoption.

• To continue influencing the UK’s main political parties’ manifestos ahead of the general election in May 2015 and secure government pledges to address the needs of people affected by cancer. We’ll also work with the government to make sure they follow through on their promises, and with each nation in developing strategies for cancer care.

• To start influencing Wales’, Northern Ireland’s and Scotland’s political parties ahead of devolved elections in 2016.

• To continue influencing healthcare systems to change by developing projects that provide evidence to show how cancer services can be redesigned and improved.

• To continue to inspire more people to support us, through campaigning and volunteering.
Our staff and infrastructure

At Macmillan, we want to ensure our staff are able to support people affected by cancer as effectively as possible. To do this, we need to understand people’s needs, evaluate our projects, share our skills and make sure we’re working as productively as we can.

What we achieved in 2014

Data, insight and impact
Last year we updated our local factsheets and briefing papers. These help us see how many people are being diagnosed with cancer in an area, what trends there are, and set out how our local services are helping people. We did this so that we can share with partners, commissioners and supporters detailed and accurate information about the important work we do and the needs of a local area.

And we also refreshed our Impact Briefs. These explain the needs that caused us to develop our services, how we are meeting those needs, and the difference that our services are making to people affected by cancer.

Understanding our customers
In 2014, we set out to improve our understanding of our customers and to offer them a better and more personalised experience. (‘Customers’ refers to anyone who’s given us support or who’s been helped by services like our support line).

We surveyed customers across fundraising, volunteering and our Macmillan Support Line and found that satisfaction remained high. The support line had the best response, with high levels of customer satisfaction increasing to 91%, 4% above our target.

We also held the first two meetings of a new UK Volunteering Forum. This forum ensures that we hear the voice of volunteers and enables us to have an open, two-way conversation about the issues that are important to them.

Our aims for 2015

• To further improve our understanding of our customers, and the needs of people living with cancer, so that we can offer them a better and more personalised experience.

• To further improve how we use data and insight to demonstrate how our work is impacting on people’s lives and to use this to shape future services.

• To continuously improve our services for people affected by cancer.

• To continue to develop our capacity and ability to evaluate key projects and to share what we learn.

• To continue the focus on productivity and working efficiently across the organisation. This will include improving our internal processes, and strengthening how we manage programmes and change.
How we manage the money you give us

2014 was a fantastic year for Macmillan, with the generosity of our donors meaning we were able to increase our charitable expenditure to £151.7 million, which is growth of 25% on 2013, enabling us to provide more services and support to people affected by cancer, than ever before.

Thanks to our donors’ generosity and the huge commitment of our volunteers and staff, we brought in record total income of £218.4 million.

As the number of people living with and beyond cancer is set to rise to four million by 2030 the need for our work continues to grow and is set to increase significantly. The good news is the number of people aware of how we can help is rising incredibly, as is the number of people we continue to reach more and more people who need our help.

We have a huge ambition and ever increasing demand for our services and are currently working on setting out our Services strategy for the next five years, to ensure we can deliver the most impact for people affected by cancer. As a result of this and our preparations for significant future growth we are planning a more modest increase in charitable expenditure for 2015, whilst continuing to develop our fundraising portfolio and investment.

We are not dependent on government money and we have a strong and diverse portfolio of fundraising streams, having consistently invested in fundraising for many years now. 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 and its subsidiary trading companies.

How we raised our money

Our total income grew by 15% to £218.4 million. Our income has always come mostly from voluntary giving and fundraising and last year was no different. Over 98% of our income, £215.2 million, came from voluntary sources, with the remaining coming from investments and grants.

Legacies saw strong growth of 5% to £62 million. Legacies remain our biggest source of revenue, contributing 29% of our total fundraised income. This is why it makes sense for us to continue our long term investment behind legacy development.

Our direct marketing income grew by 22% to a record £47 million. We continue to invest significantly in this area, which has shown consistent growth and return on investment over many years.

The World’s Biggest Coffee Morning was a fundraising highlight again this year, generating over £24.4 million, a 21% increase on 2013. For this reason we will continue to invest in this flagship fundraising event and are very much looking forward to celebrating its 25th year in 2015.

We have more than 600 volunteer fundraising committees across the UK who generated total income of £8.7 million in 2014, a similar figure to 2013.

We spent £11 million on our Welfare Rights helpline and benefits advice service. Our Welfare Rights team helped to secure more than £51.7 million in unclaimed benefits for people affected by cancer, 18% more than 2013. Our separate network of benefits advice schemes also helped to secure over £181 million in unclaimed benefits.

You’ll find a more detailed analysis of our charitable spend in note 8 to the financial statements.

In addition we are still very much committed to investing in our existing diverse income streams that are important for our future, as well as investing in...
innovative new fundraising initiatives. Our
total fundraising costs increased by 18%
to £68.4 million in 2014. We will continue
to monitor the results of these investments
carefully and keep a very close eye on
all our costs and fundraising activities
to make sure we are making the most of the
money we invest in them.

Reserves
Target range
As a 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 any future
pension commitments. At the same time,
we always aim to maximise the money we
can spend now to support people affected
by cancer.

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

Actual reserves
Following a record year for both
charitable expenditure and fundraising, we
reduced our unrestricted reserves by £6.2
million, which means our total unrestricted
reserves position is now £42.3 million.

Due to our ongoing strong
performances our reserves sit above our
agreed target range. We are planning
sustainable growth for 2015, with
increasing deficits from 2016 onwards and
forecast we will be well within our agreed
target range by the end of 2016. We think
carefully about how we spend our money,
so don’t rush to use it if our income does
better than expected.
Principal risks and uncertainties

Internal controls and risk management
Macmillan has a comprehensive annual planning and budgeting process which is approved by the trustees. Planning is based on assessment by Macmillan’s regional and UK management of the need for local and national improvement in cancer services. 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.

Risk management
As part of the annual planning and budgeting process, Macmillan prepares a risk management plan, which is approved by the Audit Committee and the Board. The plan identifies the most significant risks to the charity, scores these risks by how likely they are to happen and what impact they would have on the organisation, and names the Executive Director responsible for overseeing them. We focus on the resilience of whole systems through ‘risk aggregation’ and there is regular discussion on whether the level of risk is acceptable or if additional actions are required to reduce it further.

Risk management is an integral part of how Macmillan is run. It’s embedded through a number of activities which take place at an operational and supervisory level such as corporate performance reporting, financial controls and risk plans for projects and programmes.

Financial Risk
We closely monitor the risk that we do not have sufficient funds to meet our charitable objectives through careful financial management and reporting as detailed above. With regard to financial instruments, we have no borrowings and our investment and reserves policies are set to ensure we manage our risks and ensure we have adequate liquidity to meet liabilities as they arise. Our investment activities expose us to some risk of changes in foreign currency exchange rates. We use foreign exchange forward contracts to hedge the majority of this exposure. All other assets and liabilities are held in sterling. Credit risk on amounts owed in respect of incoming resources is low.

Other Risks
We have categorised our main non-financial risks into two broad areas: risks to existing assets caused by failures in operational processes (operational risk) and risks to future activities and growth due to a failure to respond to the external environment or flawed planning assumptions (strategic risk).

There continues to be significant change and uncertainty within the external environment in which we operate, such as major changes to NHS structures, cuts to public spending, an uncertain economic outlook and an increasingly competitive charitable sector. We are actively responding to these challenges by engaging with the new NHS organisations, maintaining a diverse mix of income streams and constantly innovating to stay competitive. Our risk management plan breaks down each of our areas of risk into detail and identifies controls already in place to mitigate against them, together with further actions underway or planned.

Regular review of the risk register informs our strategic planning process and is an integral part of our assurance framework, feeding into the annual Internal Audit Plan. The Executive Strategy Team review risk at every meeting. Our Internal Audit function checks that controls are in place and operating effectively and that actions to manage risk have been completed, with findings reported to the Audit Committee and the Board.
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, 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, Investment, 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 advised on clinical matters by the Clinical Advisory Board which met three times during 2014.

During 2013–14 an extensive review was undertaken of Macmillan’s Council, which had existed as an advisory body since 1989. Following this review, which involved consultation with current and former Council members, it was decided that while Council had served a valuable purpose, it was no longer the most effective way of seeking views of our supporters and beneficiaries. Council was therefore disbanded in March 2014.

During 2014, a Volunteer Forum was also developed, with the vision to ensure that the ‘voice of volunteers’ is heard and that volunteers can influence the strategic direction of volunteering across Macmillan, solicit views on specific issues and explore ways to improve the volunteering experience. The Forum consists of both national and regional groups, and reports to the Board.

Membership
The members of Macmillan Cancer Support are entitled to attend its Annual General Meeting and to vote on important decisions affecting Macmillan. Macmillan’s volunteers, staff, professionals and committee members of the charity are entitled to become members. Membership is also open to anyone who, in the opinion of the Board, deserves to be a member. Members guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of the organisation winding up. The total number of such guarantees as at 31 December 2014 was 8,178 (2013: 8,443).

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:

Dr Naieem Ahmed (appointed 29 April 2014)
Irene Crosswell (appointed 29 April 2014)
Jane Cummings (appointed 29 April 2014)
Tara Donnelly (Chair of Remuneration Committee)
Andrew Duff (Chair of Finance and Legal Committee)
Professor Timothy Eisen

Dr David Evered
Simon Heale (Treasurer and Chair of Audit Committee)
Clare Hollingsworth (resigned 21 March 2014)
Sue Kirk (term of office ended 23 July 2014)
Kenneth Lacey
Julia Palca (Chairman and Chair of Nominations Committee)
Sir Joseph Pilling KCB
Toby Strauss (Chair of Investment Sub-Committee)
Sir Hugh Taylor KCB
Suki Thompson

Professor Timothy Eisen retires from the Board at the forthcoming Annual General Meeting and offers himself for re-election for a further three-year term. Tara Donnelly, David Evered and Sir Joseph Pilling will stand down from the Board at the 2015 Annual General Meeting. During the year and up to the date of approval of the Trustees’ report, there was a qualifying third party indemnity in place for directors as allowed by Section 234 of the Companies Act 2006.

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 meets regularly to review the structure, size and composition (including the skills, knowledge and experience) of the Board and consider succession planning and makes recommendations to the Board with regard to any adjustments that are deemed necessary.

For new trustees, Macmillan has a warm-ringing induction programme, which is also open to existing trustees to attend. The programme includes visits to Macmillan services, coverage of the charity’s aims and how they are being fulfilled, the role and duties of the trustees, company and charity law and governance, and financial and risk management. Further ongoing training is arranged for trustees individually or the Board as a whole as needed. The trustees undertake an annual Board Effectiveness Review, to help identify any actions that may be needed to improve the Board’s governance, ways of working, or to meet trustee training needs.

Number of meetings held in 2014

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Number</th>
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<tbody>
<tr>
<td>Board of Trustees</td>
<td>7</td>
</tr>
<tr>
<td>Finance and Legal Committee</td>
<td>3</td>
</tr>
<tr>
<td>Investment Sub-Committee</td>
<td>2</td>
</tr>
<tr>
<td>Remuneration Committee</td>
<td>2</td>
</tr>
<tr>
<td>Audit Committee</td>
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</tr>
<tr>
<td>Council</td>
<td>1</td>
</tr>
<tr>
<td>Nominations Committee</td>
<td>2</td>
</tr>
</tbody>
</table>

Statement of responsibilities of the trustees
Macmillan’s trustees, who sit on Macmillan’s Board and are also directors of Macmillan Cancer Support for the purposes of company law, are responsible for preparing the trustees’ annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees have overall responsibility for Macmillan’s internal controls and the Audit Committee reviews internal risks and monitors the performance of management in controlling these risks.

In so far as the trustees are aware:
• there is no relevant audit information of which the charitable company’s auditors are unaware
• the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

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

Legal and administrative details
Legal and administrative details are given on page 74.

Further information

Employment policies and involvement
Macmillan has tens of thousands of volunteers, thousands of Macmillan professionals and 1,474 employees. It is the combined effort of the whole workforce that delivers our impact for people affected by cancer.

Our reward strategy, annual remuneration review and related policies are set and monitored by the Remuneration Committee. Macmillan is committed to 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. We use objective job evaluation to determine our job levels and associated salaries. These are also set in the context of the jobs market and comparisons are made with similar jobs in other charities and relevant organisations. Pay is reviewed annually based on performance with percentage increases consistent across the organisation and at all levels.

The Chief Executive and Executive Strategy team are subject to the same remuneration policies as all other staff and have the same level of benefits available to them.

More information on our remuneration policy can be found on our website.

We are committed to recruiting, developing and retaining the best people for the job, including persons that become disabled during their employment, based on merit, and through offering all of our staff and job applicants equality of opportunity and fair treatment. They will not be unfairly discriminated against, either directly or indirectly, on the grounds of: colour, race, nationality or ethnic or national origins; religion; gender; marital status; sexual orientation; disability; age; spent convictions; or membership/non-membership of a trade union.

We are also strong advocates of equal rights externally and are lobbying many employers to improve the lives of people living with long-term conditions including cancer.

We have formal employee consultation via the Macmillan Staff Consultation Forum, which comprises 22 representatives from across the charity, who meet three times a year and whose views are reported at Executive Strategy team meetings. Around a third of our staff attend our annual Staff Conference and we hold Leadership Forums with senior managers twice yearly. We cascade highlights from every Executive Strategy team meeting. We regard ongoing, regular engagement with our employees as a top priority. All new employees and trustees attend Macmillan induction events attended by our Chief Executive and other senior Macmillan staff.

Environmental policy
We recognise that we have a responsibility to minimise our impact on the planet and to use resources wisely. Our staff Eco Committee aims to increase environmental awareness and embed environmental responsibility into the culture of the charity. The Eco Committee also seeks to make connections between health and the environment, and has hosted events in relation to our investment policy. We are also preparing for the Energy Savings Opportunity Scheme and we are updating our environmental policy. Other things that we have been doing at Macmillan for some time include: double sided printing, recycling of plastics, cans and paper in our kitchens, offering staff the cycle to work scheme, and facilitating free bike training sessions for staff.
Subsidiaries
Macmillan Cancer Support has four subsidiary companies. Macmillan Cancer Support Sales Limited, which sells Christmas cards and other items and Macmillan Cancer Support Trading Limited, which carries out fundraising trading activities, continued to operate during 2014, all of their taxable profits each year are transferred to the charity. Macmillan Cancer Support Enterprises Limited which provides design and construction services to Macmillan Cancer Support commenced trading on 28 February 2014. Cancerbackup was dormant throughout 2014.

Note 6 to the financial statements summarises the results of the subsidiaries, which performed satisfactorily in 2014.

Related parties
Details of other related parties and connected organisations can be found in note 18 to the financial statements.

Volunteers
Our many thousands of volunteers 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 the time they give.

Independent auditors
PricewaterhouseCoopers LLP is the group and charity’s auditors. A resolution will be proposed at the Annual General Meeting that PricewaterhouseCoopers LLP will be re-appointed as auditors for the ensuing year.

The Trustees’ Report, including the Strategic Report (pages 18 to 41), was approved by the Board of Trustees and authorised for issue on 29 April 2015.

Julia Palca, Chairman
Independent auditors’ report (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Trustees’ Responsibilities Statement set out in the Trustees’ Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company’s members and trustees as a body in accordance with section 433(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Julian Rickett (Senior Statutory Auditor) for and on behalf of PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors London 29 April 2015

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees’ Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion, certain disclosures of Trustees’ remuneration from this responsibility.

We have no exceptions to report arising from this responsibility.

Trustees’ remuneration

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion, certain disclosures of Trustees’ remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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

For the year ended 31 December 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>Unrestricted £'000</th>
<th>Restricted £'000</th>
<th>2014 Total £'000</th>
<th>2013 Total £'000</th>
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<td><strong>Incoming resources</strong></td>
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<tr>
<td>Incoming resources from generated funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacy income</td>
<td>2</td>
<td>48,271</td>
<td>13,713</td>
<td>61,984</td>
</tr>
<tr>
<td>Voluntary income</td>
<td>3</td>
<td>138,549</td>
<td>13,589</td>
<td>152,138</td>
</tr>
<tr>
<td>Merchandising income</td>
<td>1,100</td>
<td>-</td>
<td>1,100</td>
<td>1,169</td>
</tr>
<tr>
<td><strong>Total fundraised income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant income</td>
<td>4</td>
<td>-</td>
<td>2,004</td>
<td>2,004</td>
</tr>
<tr>
<td>Investment income</td>
<td>5</td>
<td>1,204</td>
<td>-</td>
<td>1,204</td>
</tr>
<tr>
<td><strong>Total incoming resources</strong></td>
<td></td>
<td></td>
<td>189,124</td>
<td>29,306</td>
</tr>
<tr>
<td><strong>Resources expended</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of generating funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of generating voluntary and legacy income</td>
<td>7</td>
<td>67,506</td>
<td>390</td>
<td>67,896</td>
</tr>
<tr>
<td>Merchandising costs</td>
<td>7</td>
<td>514</td>
<td>-</td>
<td>514</td>
</tr>
<tr>
<td><strong>Total fundraising costs</strong></td>
<td></td>
<td></td>
<td>68,020</td>
<td>390</td>
</tr>
<tr>
<td>Investment management costs</td>
<td>7</td>
<td>264</td>
<td>-</td>
<td>264</td>
</tr>
<tr>
<td><strong>Total cost of generating funds</strong></td>
<td></td>
<td></td>
<td>68,284</td>
<td>390</td>
</tr>
<tr>
<td><strong>Net incoming resources available for charitable application</strong></td>
<td>120,840</td>
<td>28,916</td>
<td>149,756</td>
<td>131,237</td>
</tr>
<tr>
<td>Charitable expenditure</td>
<td>8</td>
<td>128,231</td>
<td>23,501</td>
<td>151,732</td>
</tr>
<tr>
<td>Governance costs</td>
<td>1,103</td>
<td>-</td>
<td>1,103</td>
<td>914</td>
</tr>
<tr>
<td><strong>Total resources expended</strong></td>
<td>7</td>
<td>197,618</td>
<td>23,891</td>
<td>221,509</td>
</tr>
<tr>
<td>Transfers between funds</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net (outgoing)/incoming resources before recognised gains and losses</strong></td>
<td>(8,494)</td>
<td>5,415</td>
<td>(3,079)</td>
<td>8,635</td>
</tr>
<tr>
<td>Net gain on investments</td>
<td>12</td>
<td>2,261</td>
<td>-</td>
<td>2,261</td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td>(6,233)</td>
<td>5,415</td>
<td>(818)</td>
<td>12,931</td>
</tr>
<tr>
<td>Fund balances brought forward at 1 January</td>
<td>48,538</td>
<td>18,872</td>
<td>67,410</td>
<td>54,479</td>
</tr>
<tr>
<td>Fund balances carried forward at 31 December</td>
<td>42,305</td>
<td>24,287</td>
<td>66,592</td>
<td>67,410</td>
</tr>
</tbody>
</table>

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 17 to the financial statements. The notes on pages 52-71 form part of these financial statements.
Balance sheets
As at 31 December 2014

Company number 2400969

<table>
<thead>
<tr>
<th></th>
<th>Group 2014 £’000</th>
<th>Group 2013 £’000</th>
<th>Charity 2014 £’000</th>
<th>Charity 2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>11 2,590</td>
<td>12 2,111</td>
<td>11 2,590</td>
<td>12 2,111</td>
</tr>
<tr>
<td>Investments</td>
<td>12 48,557</td>
<td>12 45,688</td>
<td>12 48,557</td>
<td>12 45,688</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td><strong>51,147</strong></td>
<td><strong>47,799</strong></td>
<td><strong>51,147</strong></td>
<td><strong>47,799</strong></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>13 44,619</td>
<td>12 47,290</td>
<td>13 44,723</td>
<td>12 48,496</td>
</tr>
<tr>
<td>Investments</td>
<td>12 136,899</td>
<td>12 111,660</td>
<td>12 136,899</td>
<td>12 111,660</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>7,061</td>
<td>12 4,878</td>
<td>12 5,680</td>
<td>12 3,574</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>188,579</strong></td>
<td><strong>163,828</strong></td>
<td><strong>187,302</strong></td>
<td><strong>163,730</strong></td>
</tr>
</tbody>
</table>

| **Creditors: amounts falling due within one year** |                  |                  |                     |                     |
| Grants committed not yet paid | 14 (52,238)       | 14 (46,369)      | 14 (52,238)         | 14 (46,369)         |
| Other creditors         | 15 (15,951)       | 15 (10,531)      | 15 (15,781)         | 15 (10,433)         |
| **Net current assets**  | **120,390**       | **106,928**      | **119,283**         | **106,928**         |

| **Total assets less current liabilities** |                  |                  |                     |                     |
| **171,537**             | **154,727**       | **170,430**      | **154,727**         | **170,430**         |

| **Creditors: amounts falling due after more than one year** |                  |                  |                     |                     |
| Grants committed not yet paid | 14 (104,945)     | 14 (87,317)      | 14 (104,945)        | 14 (87,317)         |
| **Net assets**           | **66,592**        | **67,410**       | **65,485**          | **67,410**          |

| **Funds**               |                  |                  |                     |                     |
| Restricted funds        | **24,287**        | **18,872**       | **24,287**          | **18,872**          |
| Unrestricted funds:     |                  |                  |                     |                     |
| Investment revaluation reserve | 5,271         | 5,508            | 5,271               | 5,508               |
| Other general funds     | 36,039           | 41,524           | 34,932              | 41,524              |
| **Total general funds** | **41,310**        | **40,023**       | **40,032**          | **47,032**          |
| Designated funds        | 995              | 1,506            | 995                 | 1,506               |
| **Total unrestricted funds** | **42,305**      | **41,538**       | **41,198**          | **48,538**          |
| **Total funds**         | **66,592**        | **67,410**       | **65,485**          | **67,410**          |

The financial statements, including the notes on pages 52-71, were approved by the Board of Trustees and authorised for issue on 29 April 2015, and signed on its behalf by:

Julia Palca – Chairman
Simon Heale – Treasurer

Consolidated cash flow statement
For the year ended 31 December 2014

<table>
<thead>
<tr>
<th></th>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net (expenditure)/income before net gain on investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>11 618</td>
<td>103</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>12 (964)</td>
<td>(41)</td>
</tr>
<tr>
<td>Shares and investments acquired via legacies and gifts</td>
<td>14 28,917</td>
<td>8,778</td>
</tr>
<tr>
<td>Increase in grant commitments and other creditors</td>
<td>13 (2,671)</td>
<td>(13,830)</td>
</tr>
<tr>
<td>Decrease/(increase) in debtors</td>
<td>13 (1,204)</td>
<td>(2,396)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td><strong>26,959</strong></td>
<td><strong>2,116</strong></td>
</tr>
</tbody>
</table>

Returns on investment and servicing of finance

<table>
<thead>
<tr>
<th></th>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>1,204</td>
<td>2,396</td>
</tr>
</tbody>
</table>

Net cash inflow from investments and servicing of finance

<table>
<thead>
<tr>
<th></th>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash outflow from capital expenditure and financial investments</td>
<td>(1,274)</td>
<td>(157)</td>
</tr>
</tbody>
</table>

Net cash inflow before management of liquid resources

<table>
<thead>
<tr>
<th></th>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash outflow from management of liquid resources</td>
<td>(24,706)</td>
<td>(2,880)</td>
</tr>
</tbody>
</table>

Increase in cash in the year

<table>
<thead>
<tr>
<th></th>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in cash in the year</td>
<td>2,183</td>
<td>1,475</td>
</tr>
</tbody>
</table>
Notes to the financial statements
For the year ended 31 December 2014

1. Accounting policies (continued)

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

- Furniture and equipment: 20%
- Computer equipment: 33 1/3%
- Kingspan and software
- Freehold property: 2%
- Motor vehicles: 20% over the life of the lease

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

Assets under construction are not depreciated and the costs are capitalised where the costs exceed £250,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Impairment adjustments are made where the adjustment is material.

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

Leases
The Charity enters into operating leases as detailed in note 19. 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. All investment income is treated as unrestricted. Investments in subsidiaries are recorded at cost in the Charity’s Balance Sheet. The historical cost of investments is shown in note 12 to the financial statements.
1. Accounting policies (continued)

Investments (continued)
Unlisted investments are included in the Balance Sheet at their fair value which is based on the net asset value of the investments as determined by the Investment Managers. Liquid resources are current asset investments which are disposable without curtailing or disrupting the operation of the Charity and are either readily convertible into known amounts of cash, at or close to their carrying values, or traded in an active market.

Pensions
During the year the Charity operated a contributory, defined benefit pension scheme for employees. The scheme closed to the accrual of future benefits on 30 June 2010. The scheme is accounted for in accordance with FRS 17 ‘Retirement Benefits’. In accordance with FRS 17, following the closure of the scheme during 2010, the resultant scheme surplus is not recognised on the Charity’s Balance Sheet. Any future scheme deficit would be shown on the Charity’s Balance Sheet.

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

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

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

In addition, during 2014 Macmillan contributed to a defined contribution scheme provided by Scottish Equitable.

2. Legacy income

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2014 Total</th>
<th>2013 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>48,271</td>
<td>13,713</td>
<td>61,984</td>
<td>59,188</td>
</tr>
</tbody>
</table>

3. Voluntary income

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2014 Total</th>
<th>2013 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>138,549</td>
<td>13,589</td>
<td>152,138</td>
<td>126,509</td>
</tr>
</tbody>
</table>

4. Grant income

<table>
<thead>
<tr>
<th></th>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUPA Foundation – Physical Activity</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>Scottish Government – Income Maximisation</td>
<td>514</td>
<td>338</td>
</tr>
<tr>
<td>Sport England – Physical Activity</td>
<td>401</td>
<td>99</td>
</tr>
<tr>
<td>Sussex Cancer Fund - Macmillan Horizon Centre - Brighton</td>
<td>1,131</td>
<td>-</td>
</tr>
<tr>
<td>Department of Health - National Awareness and Early Diagnosis Initiative</td>
<td>(42)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,004</strong></td>
<td><strong>447</strong></td>
</tr>
</tbody>
</table>

The £42,000 repayment to the Department of Health relates to grant income received in 2012.

5. Investment income

<table>
<thead>
<tr>
<th></th>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from fixed asset investments</td>
<td>431</td>
<td>328</td>
</tr>
<tr>
<td>Income from cash and current asset investments</td>
<td>773</td>
<td>2,068</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,204</strong></td>
<td><strong>2,396</strong></td>
</tr>
</tbody>
</table>
6. Subsidiary undertakings

As at 31 December 2014, the Charity had four wholly owned subsidiaries which are incorporated in the UK. All of their taxable profits each year are transferred to the Charity. The specific activity or status of each company is:

- **Macmillan Cancer Support Sales Limited**
  - Sale of Christmas cards and other items
- **Macmillan Cancer Support Trading Limited**
  - Fundraising trading activities
- **Macmillan Cancer Support Enterprises Limited**
  - Building construction (active from 28 February 2014)
  - Dormant
- **Cancerbackup**

In addition, a new wholly owned subsidiary, Cancer Lotteries Limited, was incorporated on 17 March 2015 and will commence trading in the summer of 2015.

A summary of the trading results and Balance Sheets of the non-dormant companies is shown below.

The companies have the same year end date as the Charity.

### Profit and loss for year ended 31 December

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>1,572</td>
<td>2,283</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(1,551)</td>
<td>(146)</td>
<td>(320)</td>
<td>(2,017)</td>
<td>(394)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>1</td>
<td>682</td>
<td>1,461</td>
<td>1,844</td>
<td>1,989</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(3)</td>
<td>(146)</td>
<td>(5)</td>
<td>(154)</td>
<td>(215)</td>
</tr>
<tr>
<td><strong>Interest receivable</strong></td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>18</td>
<td>537</td>
<td>1,138</td>
<td>1,693</td>
<td>1,775</td>
</tr>
<tr>
<td><strong>Costs recharged and interest paid to the Charity</strong></td>
<td>18 (18)</td>
<td>(225)</td>
<td>(243)</td>
<td>(586)</td>
<td>(549)</td>
</tr>
<tr>
<td><strong>Profit on ordinary activities</strong></td>
<td>- 312</td>
<td>795</td>
<td>1,107</td>
<td>1,226</td>
<td></td>
</tr>
<tr>
<td><strong>Amount donated to the Charity under Gift Aid</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Profit on ordinary activities before and after taxation</strong></td>
<td>- 312</td>
<td>795</td>
<td>1,107</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Balance sheet as at 31 December**

<table>
<thead>
<tr>
<th></th>
<th>£’000</th>
<th>£’000</th>
<th>£’000</th>
<th>£’000</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td>- 984</td>
<td>1,385</td>
<td>2,369</td>
<td>2,312</td>
<td></td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>- (672)</td>
<td>(590)</td>
<td>(1,262)</td>
<td>(2,312)</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>- 312</td>
<td>795</td>
<td>1,107</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Share capital – ordinary shares at £1 each</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Profit and loss account</strong></td>
<td>- 312</td>
<td>795</td>
<td>1,107</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ funds</strong></td>
<td>- 312</td>
<td>795</td>
<td>1,107</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

The called up share capital in each of the above companies is £2 and this is held by Macmillan Cancer Support.

The 2014 profits of Macmillan Cancer Support Sales Limited and Macmillan Cancer Support Trading Limited will be transferred to the Charity under gift aid as a 2015 distribution from Shareholders’ funds.

### Analysis of apportioned support costs

<table>
<thead>
<tr>
<th></th>
<th>£’000</th>
<th>£’000</th>
<th>£’000</th>
<th>£’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Charitable</strong></td>
<td>4,853</td>
<td>2,339</td>
<td>2,643</td>
<td>1,113</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td>64</td>
<td>74</td>
<td>60</td>
<td>217</td>
</tr>
<tr>
<td><strong>Cost of generating voluntary and legacy income</strong></td>
<td>3,329</td>
<td>1,605</td>
<td>2,643</td>
<td>1,155</td>
</tr>
<tr>
<td><strong>Merchandising costs</strong></td>
<td>26</td>
<td>34</td>
<td>10</td>
<td>93</td>
</tr>
</tbody>
</table>

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

### Analysis of governance costs

- **Staff related costs**
  - £861
- **External audit fees**
  - £93
- **Audit work**
  - £10
- **Audit related assurance services**
  - £9
- **Other services**
  - £12
- **Board and Council meeting expenses**
  - £8
- **AGM and annual report costs**
  - £119
- **Legal, strategy and other costs**
  - £1,103

**Total external audit fees** include non recoverable VAT.
8. Analysis of charitable expenditure

<table>
<thead>
<tr>
<th></th>
<th>Direct and indirect staff</th>
<th>Direct and indirect other</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Healthcare</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macmillan nurses</td>
<td>3,923</td>
<td>27,603</td>
<td>2,612</td>
<td>34,138</td>
</tr>
<tr>
<td>Macmillan allied health professionals</td>
<td>672</td>
<td>6,728</td>
<td>354</td>
<td>7,754</td>
</tr>
<tr>
<td>Treatment and care buildings</td>
<td>616</td>
<td>5,438</td>
<td>665</td>
<td>6,719</td>
</tr>
<tr>
<td>Macmillan QPs</td>
<td>857</td>
<td>6,233</td>
<td>815</td>
<td>7,905</td>
</tr>
<tr>
<td>Information and support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information services</td>
<td>4,503</td>
<td>3,534</td>
<td>3,376</td>
<td>11,613</td>
</tr>
<tr>
<td>Information buildings</td>
<td>293</td>
<td>693</td>
<td>153</td>
<td>1,139</td>
</tr>
<tr>
<td>Mobile Macmillan Cancer Information Centres</td>
<td>2,434</td>
<td>-</td>
<td>1,144</td>
<td>3,578</td>
</tr>
<tr>
<td>Macmillan Support Line</td>
<td>6,756</td>
<td>-</td>
<td>2,997</td>
<td>9,753</td>
</tr>
<tr>
<td>Financial support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macmillan grants</td>
<td>915</td>
<td>9,851</td>
<td>1,220</td>
<td>11,986</td>
</tr>
<tr>
<td>Macmillan Benefits Advice</td>
<td>687</td>
<td>6,474</td>
<td>351</td>
<td>7,512</td>
</tr>
<tr>
<td>Macmillan Welfare Rights Helpline</td>
<td>2,737</td>
<td>-</td>
<td>770</td>
<td>3,507</td>
</tr>
<tr>
<td>Financial Guidance Service</td>
<td>743</td>
<td>-</td>
<td>221</td>
<td>944</td>
</tr>
<tr>
<td>Practical and emotional support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social care schemes</td>
<td>1,483</td>
<td>9,372</td>
<td>2,386</td>
<td>13,241</td>
</tr>
<tr>
<td>Macmillan social workers</td>
<td>56</td>
<td>1,241</td>
<td>46</td>
<td>1,343</td>
</tr>
<tr>
<td>Volunteering services</td>
<td>605</td>
<td>-</td>
<td>154</td>
<td>759</td>
</tr>
<tr>
<td>Learning and development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Macmillan professionals</td>
<td>1,215</td>
<td>683</td>
<td>2,143</td>
<td>4,041</td>
</tr>
<tr>
<td>For people affected by cancer</td>
<td>685</td>
<td>255</td>
<td>750</td>
<td>1,690</td>
</tr>
<tr>
<td>Inclusion</td>
<td>581</td>
<td>570</td>
<td>1,209</td>
<td>2,360</td>
</tr>
<tr>
<td>Campaigning and raising awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research to improve cancer services</td>
<td>1,960</td>
<td>1,018</td>
<td>2,141</td>
<td>5,119</td>
</tr>
<tr>
<td>Public education and awareness raising</td>
<td>3,406</td>
<td>-</td>
<td>10,736</td>
<td>14,142</td>
</tr>
<tr>
<td>Policy and campaigning</td>
<td>1,174</td>
<td>-</td>
<td>549</td>
<td>1,723</td>
</tr>
<tr>
<td>Customer and content management</td>
<td>375</td>
<td>-</td>
<td>371</td>
<td>746</td>
</tr>
<tr>
<td>Charitable expenditure</td>
<td>36,676</td>
<td>79,693</td>
<td>35,363</td>
<td>151,732</td>
</tr>
</tbody>
</table>

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

New grants committed in the year are recognised as charitable expenditure in the year in which they are made and are 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 £69,842,000 (2013: £52,833,000). Grants to individuals totalled £9,851,000 (2013: £9,437,000). 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.

9. Net income for the year
This is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>618</td>
<td>867</td>
</tr>
<tr>
<td>External audit fees:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit work</td>
<td>93</td>
<td>74</td>
</tr>
<tr>
<td>Audit related assurance services</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Other services</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Operating lease rentals:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>2,547</td>
<td>2,520</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>820</td>
<td>795</td>
</tr>
</tbody>
</table>

External audit fees include non recoverable VAT.

No trustee has received any remuneration from the Group during the year (2013: £nil). The total amount of trustee expenses incurred directly by Macmillan or reimbursed during the year was £5,982 (2013: £5,404), which all related to trustee meetings. The number of trustees who were reimbursed was two (2013: one).

10. Staff costs and numbers
Staff costs were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>47,956</td>
<td>42,312</td>
</tr>
<tr>
<td>Agency staff costs</td>
<td>1,059</td>
<td>537</td>
</tr>
<tr>
<td>Employers' National Insurance contributions</td>
<td>4,853</td>
<td>4,306</td>
</tr>
<tr>
<td>Pension costs</td>
<td>4,032</td>
<td>3,334</td>
</tr>
<tr>
<td></td>
<td>57,900</td>
<td>50,489</td>
</tr>
</tbody>
</table>

The number of employees whose total earnings in the year (excluding employer pension contributions) fell into the bands below was:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>No.</td>
</tr>
<tr>
<td>£60,001 - £70,000</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>£70,001 - £80,000</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>£80,001 - £90,000</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>£90,001 - £100,000</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>£100,001 - £110,000</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>£110,001 - £120,000</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>£120,001 - £130,000</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>£130,001 - £140,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>£140,001 - £150,000</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>
| Retirement benefits are accruing under defined benefit schemes for 24 (2013:18) higher paid employees. Contributions totalling £213,000 (2013: £176,000) were made to stakeholder schemes for 39 (2013: 36) higher paid employees.

The average number of staff employed during the year was 1,474 (2013: 1,305) which includes 276 part time staff (2013: 241). The average number of full time equivalent (FTE) staff employed during the year was 1,384 (2013: 1,228). The average FTE is analysed by function as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>No.</td>
</tr>
<tr>
<td>Fundraising</td>
<td>562</td>
<td>520</td>
</tr>
<tr>
<td>Charitable</td>
<td>812</td>
<td>699</td>
</tr>
<tr>
<td>Governance</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>1,384</td>
<td>1,228</td>
</tr>
</tbody>
</table>
11. Tangible fixed assets

The Group and Charity

<table>
<thead>
<tr>
<th></th>
<th>Freehold property</th>
<th>Assets under construction</th>
<th>Leasehold property improvements</th>
<th>Motor vehicles</th>
<th>Computer equipment and software</th>
<th>Furniture and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2014</td>
<td>-</td>
<td>705</td>
<td>2,109</td>
<td>768</td>
<td>1,160</td>
<td>1,398</td>
<td>6,140</td>
</tr>
<tr>
<td>Additions in the year</td>
<td>-</td>
<td>1,041</td>
<td>-</td>
<td>-</td>
<td>56</td>
<td>-</td>
<td>1,097</td>
</tr>
<tr>
<td>Disposals in the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(34)</td>
<td>-</td>
<td>(34)</td>
<td>(68)</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>1,572</td>
<td>2,109</td>
<td>768</td>
<td>1,295</td>
<td>1,459</td>
<td>7,203</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2014</td>
<td>-</td>
<td>-</td>
<td>1,605</td>
<td>543</td>
<td>1,001</td>
<td>880</td>
<td>4,029</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>-</td>
<td>-</td>
<td>131</td>
<td>104</td>
<td>173</td>
<td>210</td>
<td>618</td>
</tr>
<tr>
<td>Disposals in the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(34)</td>
<td>(34)</td>
<td>(68)</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>-</td>
<td>1,736</td>
<td>647</td>
<td>1,140</td>
<td>1,090</td>
<td>4,613</td>
<td></td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>-</td>
<td>1,572</td>
<td>373</td>
<td>121</td>
<td>155</td>
<td>369</td>
<td>2,590</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>-</td>
<td>705</td>
<td>504</td>
<td>225</td>
<td>159</td>
<td>518</td>
<td>2,111</td>
</tr>
</tbody>
</table>

The assets under construction costs at the year end relate to the development of the Macmillan Horizon Centre, an information and support centre adjacent to the Brighton Cancer Centre.

Capital commitments as at 31 December 2014 totalled £3,488,000.

12. Investments

The Group and Charity

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Market value at 1 January</td>
<td>157,348</td>
<td>150,236</td>
</tr>
<tr>
<td>Purchased acquisitions</td>
<td>110,576</td>
<td>60,790</td>
</tr>
<tr>
<td>Shares and investments acquired via legacies and gifts</td>
<td>964</td>
<td>41</td>
</tr>
<tr>
<td>Disposal proceeds</td>
<td>(84,329)</td>
<td>(57,844)</td>
</tr>
<tr>
<td>Change in cash and accrued income</td>
<td>(1,364)</td>
<td>(171)</td>
</tr>
<tr>
<td>Net gain on investments</td>
<td>2,261</td>
<td>4,296</td>
</tr>
<tr>
<td>Market value at 31 December</td>
<td>185,456</td>
<td>157,348</td>
</tr>
<tr>
<td>Historic cost at 31 December</td>
<td>180,185</td>
<td>151,840</td>
</tr>
</tbody>
</table>

Investments comprise:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Fixed asset investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Listed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK listed</td>
<td>414</td>
<td>1,790</td>
</tr>
<tr>
<td>Non-UK listed</td>
<td>32,426</td>
<td>26,379</td>
</tr>
<tr>
<td>Unlisted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK un-listed</td>
<td>1,476</td>
<td>1,237</td>
</tr>
<tr>
<td>Non-UK un-listed</td>
<td>13,576</td>
<td>14,735</td>
</tr>
<tr>
<td>Cash</td>
<td>665</td>
<td>1,547</td>
</tr>
<tr>
<td>Total fixed asset investments</td>
<td>48,557</td>
<td>45,688</td>
</tr>
</tbody>
</table>

Current asset investments

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Listed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK listed</td>
<td>-</td>
<td>7,777</td>
</tr>
<tr>
<td>Non-UK listed</td>
<td>136,057</td>
<td>103,865</td>
</tr>
<tr>
<td>Unlisted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK un-listed</td>
<td>825</td>
<td>17</td>
</tr>
<tr>
<td>Cash</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Total current asset investments</td>
<td>136,899</td>
<td>111,660</td>
</tr>
</tbody>
</table>

Total investments | 185,456 | 157,348 |

The trustees believe the carrying value of the investments is supported by the underlying value of the net assets.

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Goldman Sachs Sterling Liquid Reserves Institutional shares</td>
<td>43,343</td>
<td>-</td>
</tr>
<tr>
<td>HSBC Sterling Liquidity Fund – C shares</td>
<td>30,618</td>
<td>30,503</td>
</tr>
<tr>
<td>RBS Global Treasury Funds Plc – Sterling Fund shares</td>
<td>-</td>
<td>19,253</td>
</tr>
<tr>
<td>JPM Sterling Liquidity Institutional Fund</td>
<td>62,096</td>
<td>23,045</td>
</tr>
</tbody>
</table>
13. Debtors

<table>
<thead>
<tr>
<th></th>
<th>Group 2014</th>
<th>Group 2013</th>
<th>Charity 2014</th>
<th>Charity 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>461</td>
<td>130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount owed by subsidiary undertakings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued legacy income</td>
<td>34,899</td>
<td>35,875</td>
<td>34,899</td>
<td>35,875</td>
</tr>
<tr>
<td>Gift aid recoverable</td>
<td>1,973</td>
<td>3,162</td>
<td>1,973</td>
<td>3,162</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>3,244</td>
<td>1,152</td>
<td>3,197</td>
<td>1,106</td>
</tr>
<tr>
<td>Prepayments and other accrued income</td>
<td>4,042</td>
<td>6,971</td>
<td>3,455</td>
<td>6,139</td>
</tr>
<tr>
<td></td>
<td><strong>44,619</strong></td>
<td><strong>47,290</strong></td>
<td><strong>44,723</strong></td>
<td><strong>48,496</strong></td>
</tr>
</tbody>
</table>

In addition to the accrued legacy income above, the Charity has been notified of legacies for which no income has been recognised at 31 December 2014. The actual timing and amounts to be received are unknown. Based on the average value of legacies received during the year, the value of these is estimated to be in the region of £31,000,000. (2013: £28,000,000).

Included within the amount owed by subsidiary undertakings is a loan of £220,000 (2013: £220,000) to Macmillan Cancer Support Sales Limited. Interest is payable on the loan and is calculated at base rate plus 2%. The loan is repayable by 31 December 2015, and is secured by a first-ranking debenture dated 28 July 1999 containing fixed and floating charges over all the assets of the subsidiary company.

14. Grants committed not yet paid

The Group and Charity

<table>
<thead>
<tr>
<th></th>
<th>Macmillan professionals’ grants</th>
<th>Buildings</th>
<th>Other</th>
<th>2014 Total</th>
<th>2013 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Commitments at 1 January</td>
<td>72,409</td>
<td>6,851</td>
<td>54,426</td>
<td>133,686</td>
<td>126,169</td>
</tr>
<tr>
<td>Grants paid during the year</td>
<td>(23,635)</td>
<td>-</td>
<td>(17,065)</td>
<td>(40,700)</td>
<td>(44,126)</td>
</tr>
<tr>
<td>New grants committed during the year</td>
<td>43,142</td>
<td>6,047</td>
<td>24,600</td>
<td>73,789</td>
<td>57,045</td>
</tr>
<tr>
<td>Commitments released as no longer required</td>
<td>(3,336)</td>
<td>(298)</td>
<td>(1,323)</td>
<td>(5,157)</td>
<td>(5,402)</td>
</tr>
<tr>
<td>Commitments at 31 December</td>
<td><strong>88,580</strong></td>
<td><strong>8,165</strong></td>
<td><strong>60,438</strong></td>
<td><strong>157,183</strong></td>
<td><strong>133,686</strong></td>
</tr>
<tr>
<td>Falling due within one year</td>
<td>26,631</td>
<td>6,345</td>
<td>19,262</td>
<td>52,238</td>
<td>46,369</td>
</tr>
<tr>
<td>Falling due after one year</td>
<td>61,949</td>
<td>1,820</td>
<td>41,176</td>
<td>104,945</td>
<td>87,317</td>
</tr>
<tr>
<td></td>
<td><strong>88,580</strong></td>
<td><strong>8,165</strong></td>
<td><strong>60,438</strong></td>
<td><strong>157,183</strong></td>
<td><strong>133,686</strong></td>
</tr>
</tbody>
</table>

15. Other creditors

<table>
<thead>
<tr>
<th></th>
<th>Group 2014</th>
<th>Group 2013</th>
<th>Charity 2014</th>
<th>Charity 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>1,731</td>
<td>1,561</td>
<td>1,764</td>
<td>1,543</td>
</tr>
<tr>
<td>Accruals</td>
<td>7,738</td>
<td>715</td>
<td>1,708</td>
<td>708</td>
</tr>
<tr>
<td>Deferred income</td>
<td>2,244</td>
<td>1,573</td>
<td>2,243</td>
<td>1,573</td>
</tr>
<tr>
<td>Provisions</td>
<td>573</td>
<td>401</td>
<td>573</td>
<td>401</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>8,887</td>
<td>6,015</td>
<td>8,715</td>
<td>5,922</td>
</tr>
<tr>
<td>Other creditors</td>
<td>778</td>
<td>266</td>
<td>778</td>
<td>266</td>
</tr>
<tr>
<td></td>
<td><strong>15,951</strong></td>
<td><strong>10,531</strong></td>
<td><strong>15,781</strong></td>
<td><strong>10,433</strong></td>
</tr>
</tbody>
</table>

16. Analysis of Group net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Restricted funds</th>
<th>Designated funds</th>
<th>General funds</th>
<th>Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>1,595</td>
<td>995</td>
<td></td>
<td>2,590</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>48,557</td>
<td>48,557</td>
</tr>
<tr>
<td>Cash and current asset investments</td>
<td>55,589</td>
<td>-</td>
<td>88,371</td>
<td>143,960</td>
</tr>
<tr>
<td>Debtors</td>
<td>6,670</td>
<td>-</td>
<td>37,949</td>
<td>44,619</td>
</tr>
<tr>
<td>Creditors</td>
<td>(29,567)</td>
<td>-</td>
<td>(133,567)</td>
<td>(163,134)</td>
</tr>
<tr>
<td></td>
<td><strong>Net assets at 31 December 2014 24,287</strong></td>
<td><strong>995</strong></td>
<td><strong>41,310</strong></td>
<td><strong>66,592</strong></td>
</tr>
</tbody>
</table>

17. Movements in funds

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 January 2014</th>
<th>Incoming resources £’000</th>
<th>Outgoing resources £’000</th>
<th>Gain on investments £’000</th>
<th>Transfers £’000</th>
<th>Balance 31 December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted funds</td>
<td>3,539</td>
<td>3,741</td>
<td>(1,093)</td>
<td>-</td>
<td>(1,028)</td>
<td>5,159</td>
</tr>
<tr>
<td>Macmillan Horizon Centre (formerly shown as the Brighton Information and Support Centre)</td>
<td>544</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,028</td>
</tr>
<tr>
<td>Department of Health grants</td>
<td>95</td>
<td>(42)</td>
<td>56</td>
<td>-</td>
<td>-</td>
<td>109</td>
</tr>
<tr>
<td>Financial Guidance Service</td>
<td>61</td>
<td>-</td>
<td>(38)</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other funds</td>
<td>14,633</td>
<td>25,607</td>
<td>(22,816)</td>
<td>-</td>
<td>-</td>
<td>17,424</td>
</tr>
<tr>
<td></td>
<td><strong>Total restricted funds 18,872</strong></td>
<td><strong>29,306</strong></td>
<td><strong>(23,891)</strong></td>
<td><strong>2,261</strong></td>
<td><strong>511</strong></td>
<td><strong>42,305</strong></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>47,032</td>
<td>189,124</td>
<td>(197,618)</td>
<td>2,261</td>
<td>511</td>
<td>41,310</td>
</tr>
<tr>
<td></td>
<td>48,538</td>
<td>189,124</td>
<td>(197,618)</td>
<td>2,261</td>
<td>511</td>
<td>42,305</td>
</tr>
<tr>
<td></td>
<td><strong>Total unrestricted funds 48,538</strong></td>
<td><strong>189,124</strong></td>
<td><strong>(197,618)</strong></td>
<td><strong>2,261</strong></td>
<td><strong>511</strong></td>
<td><strong>42,305</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total funds 67,410</strong></td>
<td><strong>218,430</strong></td>
<td><strong>(221,509)</strong></td>
<td><strong>2,261</strong></td>
<td><strong>511</strong></td>
<td><strong>66,592</strong></td>
</tr>
</tbody>
</table>
17. Movements in funds (continued)

Purposes of restricted funds

Local appeals

Local appeal funds comprise income generated from fundraising activities by Macmillan appeals throughout the UK. Local appeal deficits often arise where we commit to funding the service early on in an appeal. Under our accounting policy, we recognise the full cost of multi-year grants when the commitment is made. Often, we will take three years to raise the income necessary to meet this cost. Such appeals will start in deficit and gradually work their way to break even over the life of the appeal. During the year no funds (2013: £nil) were transferred from unrestricted funds to restricted appeal funds to cover deficits which will not be matched by future fundraising. It is anticipated that the remaining deficits will be matched by future restricted income or transfers from other appropriate funds.

At the same time, some appeals raise significant funds before the actual grant commitment is made, particularly building appeals. As a result, they appear in surplus for the first part of the life of the appeal. Appeals at the year end in surplus totalled £5,168,000 (2013: £3,682,000). Appeals in deficit totalled £9,000 (2013: £3,682,000).

Macmillan Horizon Centre

Fixed asset expenditure in the year of £1,028,000 (2013: £22,000) from appeal funds, related to an information and support centre adjacent to the Brighton Cancer Centre. The fund balance at 31 December 2014 was £1,572,000 (2013: £544,000).

Financial Guidance Service

Depreciation in the year of £38,000, (2013: £38,000) from other funds, related to the fit out of premises for the Financial Guidance Service in Shipley. The fund balance at 31 December 2014 was £23,000 (2013: £61,000).

Department of Health Grants

National Cancer Survivorship Initiative

No funds were received in the year (2013: £nil) and there were no funds expended in the year (2013: £122,000). Grants released back to the fund in the year totalled £40,000 (2013: £66,000). The fund balance at 31 December 2014 was £53,000 (2013: £13,000).

Older people’s pilot projects

No funds were received in the year (2013: £nil) and there were no funds expended in the year (2013: £nil). There was a grant release in the year of £18,000 (2013: £38,000), leaving a fund balance at 31 December 2014 of £56,000 (2013: £38,000). A condition of the grant award was that the Charity committed to match fund £50,000. This was designated and expended in 2010.

National Awareness and Early Diagnosis Initiative

No funds were received in the year (2013: £nil), funds expended in the year totalled £2,000 (2013: £124,000), following successful completion of the project under budget, unused grant of £42,000 (2013: £nil) was repaid to the Department of Health in the year, leaving a fund balance at 31 December 2014 of £nil (2013: £44,000).

Other funds

Other restricted funds comprise income for specific Macmillan activities. At 31 December 2014, the balance of £17,424,000 (2013: £14,633,000), is made up of:

Healthcare and information funds

Income which has been restricted to these funds has come from a variety of sources and is restricted either to clinical or information services, including nurses, allied health professionals, clinical and information services, and information funds. The income is sometimes further restricted to clinical or information services, and is restricted either to a geographical area, and it is likely that we will expend this income on Macmillan grants to individuals. There may, however, be other service developments in the area of the restriction and the income may be spent on such new service developments. The balance at the year end totalled £5,099,000 (2013: £4,210,000).

18. Related party transactions

• Professor Jessica Corner is the Chief Clinician at Macmillan Cancer Support and she is also Dean of the Faculty of Health Sciences at the University of Southampton. In 2010, the Charity made a grant commitment of £1,113,000 to fund a research programme in respect of people affected by cancer, which is based at the University of Southampton, and this ended in March 2014. In 2014, Macmillan Cancer Support made further grant commitments totalling £1,002,000; £985,000 for the extension of the Colorectal Wellbeing study and £17,000 for survivorship research. In 2014, amounts totalling £354,000 were paid to the University of Southampton; £305,000 for the Colorectal Wellbeing study, £2,000 for a learning and training grant, £17,000 for survivorship research and £30,000 towards a cancer aftercare study.

• Irene Crosswell is a Trustee of Macmillan Cancer Support. During 2014, income of £18,000 was received through her supporting various Macmillan events.

• Jane Cummings is a Trustee of Macmillan Cancer Support. She is also the Chief Nursing Officer for England and the Chief Nursing Officer at NHS England. Macmillan Cancer Support had many interactions and relationships with NHS England during 2014. However, there were no related party transactions that she had direct influence over or financial interest in.

• Ciarán Devane was Macmillan Chief Executive of Macmillan Cancer Support until 31 October 2014. He is also a Non-Executive Director on the Board of NHS England. Macmillan Cancer Support had many interactions and relationships with NHS England during 2014. However, there were no related party transactions that he had direct influence
18. Related party transactions (continued)

over or financial interest in. Ciarán Devane is also a board member of National Council for Voluntary Organisations (NCVO). During 2014, payments of £9,000 were made to NCVO in respect of training and development for Macmillan professionals.

- Clare Hollingsworth, a Trustee of Macmillan Cancer Support until 21 March 2014, is also a Non Executive Director of Savills plc. Macmillan Cancer Support made payments totalling around £2,000,000 to Savills plc for rent and service charges.

- Rosie Loftus, the Joint Chief Medical Officer of Macmillan Cancer Support, is a Partner at The Parks Medical Practice. Grant payments totalling £62,000, which related to prior year commitments, were made to The Parks Medical Practice in 2014 in relation to a GP advisor post. An additional commitment of £12,000 was made in 2014.

- Sir Hugh Taylor is a Trustee of Macmillan Cancer Support, and he is also Chairman of Guy’s and St Thomas’ NHS Foundation Trust. In 2014, an amount totalling £3,000 was paid to Guy’s and St Thomas’ NHS Foundation Trust. In 2014, an amount totalling £3,000 was paid to Guy’s and St Thomas’ NHS Foundation Trust, in relation to grants committed in 2013, for a chemotherapy information point. Also in 2014, grants committed to grants committed in prior years, £15,000 for the Christies Scholarship programme and £4,000 for small payments towards various learning and development projects.

- Lynda Thomas, Chief Executive of Macmillan Cancer Support, is a trustee of the Institute of Fundraising. During 2014, membership and other fee payments totalling £28,000 were made to the Institute of Fundraising. Lynda Thomas is also a director of the Fundraising Standards Board, membership fees of £5,000 were paid to the Fundraising Standards Board in 2014.

- Macmillan is a member of the National Cancer Research Institute (NCRI), which brings together the major organisations that fund cancer research to coordinate their activities including joint funding initiatives. In 2014, it made payments of £8,000 (2013: £17,000), related to the Institute’s annual conference.

- Macmillan Cancer Support Jersey Limited (MCSJ Ltd) is a company limited by guarantee and incorporated in the Island of Jersey (company number 104090). It is an independent organisation which carries out fundraising on the Island and funds Macmillan services. Stephen Richards, Macmillan’s Director of Professional Engagement until 9 January 2015, was on the Board of Directors of MCSJ Ltd until 23 October 2014. David Crosby, Macmillan’s General Manager for Central and South West England was appointed to the Board of Directors of MCSJ Ltd on 23 January 2015. During 2014, the Charity received £57,000 from MCSJ Ltd, restricted to the funding of a specialist Palliative care cancer nurse specialist (2013: £nil).

During the year the Charity received £3,000 (2013: £nil) from American Friends of Macmillan Cancer Support.

- The American Friends of Macmillan Cancer Support was formed in 1991 as the US affiliate of Macmillan to support its charitable programmes. The American Friends of Macmillan Cancer Support is a public charity as described in section 501 (c) (3) of the US Internal Revenue Code. It may devote funds received by it to any purpose consistent with its charitable purposes, as dictated by its Board of Directors.

- Macmillan has a long standing relationship with the National Association of Laryngectomee Clubs. During the year, the charity has made a grant of £111,000 (2013: £113,000) to the National Association of Laryngectomee Clubs, in support of the Association’s activities. The grant was made on an arms length basis. In 2014, Macmillan also paid rent of £20,000 on behalf of the National Association of Laryngectomee Clubs (2013: £20,000).

19. Operating lease commitments

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

<table>
<thead>
<tr>
<th>Property</th>
<th>Vehicles and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2013</td>
<td>£’000</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>1-5 years</td>
<td>2,126</td>
<td>2,000</td>
</tr>
<tr>
<td>Over 5 years</td>
<td>548</td>
<td>458</td>
</tr>
<tr>
<td>Total</td>
<td>2,687</td>
<td>2,475</td>
</tr>
</tbody>
</table>

Annual Report 2014 Financial statements
20. Pension costs

During 2014, the Charity operated a defined benefit pension scheme for employees who joined the scheme before 30 April 2005, the date the scheme was finally closed to all new entrants. On 30 June 2010, the scheme closed to the accrual of future benefits. The assets of the defined benefit scheme are held separately from those of the Charity in an independently administered fund. From 1 May 2004, the Charity has paid contributions for eligible employees into a stakeholder pension scheme. The Charity has also paid contributions for eligible employees into the National Health Service (NHS) Pension Scheme and the Teachers’ Pension Scheme.

Macmillan defined benefit scheme

The actuary has computed the following information about the financial position of the scheme as at 31 December 2014:

<table>
<thead>
<tr>
<th>Scheme assets and liabilities</th>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of the scheme assets</td>
<td>39,045</td>
<td>33,469</td>
</tr>
<tr>
<td>Present value of scheme liabilities</td>
<td>(22,927)</td>
<td>(28,802)</td>
</tr>
<tr>
<td><strong>Net surplus</strong></td>
<td><strong>6,118</strong></td>
<td><strong>4,667</strong></td>
</tr>
</tbody>
</table>

Following closure of the scheme to future accrual, in accordance with FRS 17, the scheme surplus cannot be recognised on the Charity's Balance Sheet.

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 2013.

Following closure of the scheme to future accrual on 30 June 2010, there were no employer contributions made by the Charity in 2014 (2013: £nil).

For the purposes of the disclosures required under FRS17, the actuarial valuation has been updated at 31 December 2014 by a qualified actuary using the following assumptions:

### Financial assumptions

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>3.60%</td>
</tr>
<tr>
<td>Retail price inflation</td>
<td>3.40%</td>
</tr>
<tr>
<td>Consumer price inflation</td>
<td>2.40%</td>
</tr>
<tr>
<td>Rate of increase in salaries</td>
<td>n/a</td>
</tr>
<tr>
<td>Rate of increase in pensions in payment RPI capped at 5%</td>
<td>3.20%</td>
</tr>
<tr>
<td>Rate of increase in pensions in payment RPI capped at 2.5%</td>
<td>2.40%</td>
</tr>
<tr>
<td>Rate of increase in deferred pensions</td>
<td>2.40%</td>
</tr>
</tbody>
</table>

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

### Mortality assumptions

<table>
<thead>
<tr>
<th>2014 life expectancy</th>
<th>2013 life expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males at 65</td>
<td>22.4</td>
</tr>
<tr>
<td>Females at 65</td>
<td>24.4</td>
</tr>
<tr>
<td>Males at 65</td>
<td>24.1</td>
</tr>
<tr>
<td>Females at 65</td>
<td>26.3</td>
</tr>
</tbody>
</table>

### Analysis of Scheme Assets and Expected Long-term Return Rates

<table>
<thead>
<tr>
<th>2014 Expected rate of return</th>
<th>2013 Expected rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>13,233</td>
</tr>
<tr>
<td>Bonds</td>
<td>25,427</td>
</tr>
<tr>
<td>Other</td>
<td>385</td>
</tr>
</tbody>
</table>

### Current and Future Pension Costs

The overall expected rate of return on assets assumption of 4.23% per annum as at 31 December 2014 has been derived by calculating the weighted average of the expected rate of return for each of the asset classes.

The scheme’s assets also include £257,000 (2013: £315,000) of insured annuity policies in relation to pensions secured prior to May 1993. The expected future rate of return on these annuity policies is in line with gilt yields.

An analysis of the scheme assets and the expected long term return rates at 31 December 2014 was as follows:

<table>
<thead>
<tr>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>13,233</td>
</tr>
<tr>
<td>Bonds</td>
<td>25,427</td>
</tr>
<tr>
<td>Other</td>
<td>385</td>
</tr>
</tbody>
</table>

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

The following amounts have been recognised in the financial statements for the year ended 31 December 2014 under the requirements of FRS17:

<table>
<thead>
<tr>
<th>2014 £’000</th>
<th>2013 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected return on assets</td>
<td>1,865</td>
</tr>
<tr>
<td>Interest on liabilities</td>
<td>(1,331)</td>
</tr>
<tr>
<td>Past service cost</td>
<td>(524)</td>
</tr>
<tr>
<td>Net credit to the Statement of Financial Activities</td>
<td>10</td>
</tr>
<tr>
<td>Unrecognizable credit due to closure of the scheme to future accrual</td>
<td>(10)</td>
</tr>
</tbody>
</table>

### Additional Information

- **Macmillan defined benefit scheme**

  - The actuary has computed the following information about the financial position of the scheme as at 31 December 2014:

    | Scheme assets and liabilities | 2014 £’000 | 2013 £’000 |
    |-------------------------------|------------|------------|
    | Fair value of the scheme assets | 39,045     | 33,469     |
    | Present value of scheme liabilities | (22,927)  | (28,802)  |
    | **Net surplus** | **6,118** | **4,667** |

- **Financial assumptions**

  - **Discount rate**: 3.60% (2013: 4.60%)
  - **Retail price inflation**: 3.40% (2013: 3.70%)
  - **Consumer price inflation**: 2.40% (2013: 2.70%)
  - **Rate of increase in salaries**: n/a (2013: n/a)
  - **Rate of increase in pensions in payment RPI capped at 5%**: 3.20% (2013: 3.50%)
  - **Rate of increase in pensions in payment RPI capped at 2.5%**: 2.40% (2013: 2.40%)
  - **Rate of increase in deferred pensions**: 2.40% (2013: 2.70%)

- **Mortality assumptions**

  - **Current pensioners using mortality table S2PA CMI_2014_M/F [1.25%]** (Year of birth) (2013: S1PA CMI_2013_M/F [1.25%] (Year of birth) minus one year)
    - Males at 65 | 22.4 | 22.9 |
    - Females at 65 | 24.4 | 25.2 |

  - **Future pensioners using mortality table S2PA CMI_2014_M/F [1.25%]** (Year of birth) (2013: S1PA CMI_2013_M/F [1.25%] (Year of birth) minus one year)
    - Males at 65 | 24.1 | 24.7 |
    - Females at 65 | 26.3 | 27.1
20. Pension costs (continued)

The charity participates in the NHS Pension Scheme, an unfunded, defined benefit scheme for employees who were formerly employed in the NHS, GP practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. During the year the charity made contributions for 127 employees totalling £681,000 (2013: 105 employees, £574,000) to the NHS Scheme. At the end of the year there were contributions of £104,000 (2013: £72,000) to be paid over, representing the contributions for the December payroll.

The last full actuarial (funding) valuation for the NHS Pension Scheme was undertaken in June 2014, which reported that the scheme had accumulated a notional deficit of £10.3 billion against the notional assets as at 31 March 2012. From an accounting perspective, a valuation of the scheme liability is carried out annually by the scheme actuary by updating the results of the full actuarial valuation based on detailed membership data. The latest assessment of the liabilities of the scheme was undertaken for the year to 31 March 2014 and is contained in the scheme actuary report which forms part of the annual NHS Pension (England and Wales) Resource Account, published annually. These financial statements can be viewed on the NHS Pension website. Going forward the charity’s contributions may be varied from time to time to reflect the changes in the scheme’s liabilities. Employer’s contribution rates are set to increase during 2015 as part of the new scheme arrangements being introduced from 1 April 2015.

The charity also participates in the Teachers’ Pension Scheme, a defined benefit scheme for employees who were formerly employed by Local Education Authorities. The Teachers’ Pension Scheme is an unfunded scheme. Contributions on a ‘pay-as-you-go’ basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. In the year, the charity made contributions for 3 employees totalling £16,000 (2013: 5 employees, £19,000) to the Teachers’ Pension Scheme.

The charity has also made payments into a stakeholder scheme operated by the Legal and General Group Plc. This is a defined contribution scheme. During the year the charity made contributions for 1,325 employees totalling £3,322,000 (2013: 1,118 employees, £2,728,000). The increase in membership is mainly due to the introduction of auto-enrolment during the year. In addition, the Charity paid contributions for one employee totalling £13,000 (2013: one employee, £13,000) into a stakeholder scheme operated by Scottish Equitable. It is estimated that the Charity will make contributions across all schemes of around £4,500,000 in 2015.

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since 1 January 2005, is a loss of £654,000 (2013: £2,095,000 loss) excluding the adjustments for the losses on closure of the scheme to future accrual. The actual return on scheme assets for the year was a gain of £6,281,000 (2013: £1,172,000 gain).

### 20. Pension costs (continued)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td></td>
</tr>
<tr>
<td>Actuarial gain/(loss)</td>
<td>1,441</td>
<td>2,993</td>
<td>157</td>
<td></td>
<td>2,894</td>
</tr>
<tr>
<td>Percentage of the present value of the scheme liabilities</td>
<td>4.4%</td>
<td>10.4%</td>
<td>0.5%</td>
<td></td>
<td>12.3%</td>
</tr>
<tr>
<td>Experience gains/(losses) on scheme liabilities</td>
<td>(105)</td>
<td>-</td>
<td>66</td>
<td></td>
<td>1,403</td>
</tr>
<tr>
<td>Percentage of the present value of the scheme liabilities</td>
<td>(0.3%)</td>
<td>0.0%</td>
<td>0.3%</td>
<td></td>
<td>0.5%</td>
</tr>
<tr>
<td>Total amount recognised as actuarial gains/(losses)</td>
<td>4,516</td>
<td>(208)</td>
<td>985</td>
<td>1,282</td>
<td>1,180</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present value of scheme liabilities at 1 January</td>
<td>32,927</td>
<td>28,802</td>
<td>25,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Past service cost</td>
<td>524</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on liabilities</td>
<td>1,331</td>
<td>1,155</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net surplus</td>
<td>6,118</td>
<td>4,667</td>
<td>7,435</td>
<td>7,370</td>
<td>5,408</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td></td>
</tr>
<tr>
<td>Fair value of scheme assets at 1 January</td>
<td>33,469</td>
<td>33,035</td>
</tr>
<tr>
<td>Expected return on scheme assets</td>
<td>1,865</td>
<td>1,380</td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(805)</td>
<td>(738)</td>
</tr>
<tr>
<td>Actuarial gain/(loss)</td>
<td>4,516</td>
<td>(208)</td>
</tr>
<tr>
<td>Fair value of scheme assets at 31 December</td>
<td>39,045</td>
<td>33,469</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td></td>
</tr>
<tr>
<td>Present value of scheme liabilities at 1 January</td>
<td>28,802</td>
<td>25,600</td>
</tr>
<tr>
<td>Past service cost</td>
<td>524</td>
<td>-</td>
</tr>
<tr>
<td>Interest on liabilities</td>
<td>1,331</td>
<td>1,155</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(805)</td>
<td>(738)</td>
</tr>
<tr>
<td>Actuarial loss</td>
<td>3,075</td>
<td>2,785</td>
</tr>
<tr>
<td>Present value of scheme liabilities at 31 December</td>
<td>32,927</td>
<td>28,802</td>
</tr>
</tbody>
</table>

The charity also participates in the Teachers’ Pension Scheme, a defined benefit scheme for employees who were formerly employed by Local Education Authorities. The Teachers’ Pension Scheme is an unfunded scheme. Contributions on a ‘pay-as-you-go’ basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. In the year, the charity made contributions for 3 employees totalling £16,000 (2013: 5 employees, £19,000) to the Teachers’ Pension Scheme.

The charity has also made payments into a stakeholder scheme operated by the Legal and General Group Plc. This is a defined contribution scheme. During the year the charity made contributions for 1,325 employees totalling £3,322,000 (2013: 1,118 employees, £2,728,000). The increase in membership is mainly due to the introduction of auto-enrolment during the year. In addition, the Charity paid contributions for one employee totalling £13,000 (2013: one employee, £13,000) into a stakeholder scheme operated by Scottish Equitable. It is estimated that the Charity will make contributions across all schemes of around £4,500,000 in 2015.

### Other pension schemes

The charity participates in the NHS Pension Scheme, an unfunded, defined benefit scheme for employees who were formerly employed in the NHS, GP practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. During the year the charity made contributions for 127 employees totalling £681,000 (2013: 105 employees, £574,000) to the NHS Scheme. At the end of the year there were contributions of £104,000 (2013: £72,000) to be paid over, representing the contributions for the December payroll.

The last full actuarial (funding) valuation for the NHS Pension Scheme was undertaken in June 2014, which reported that the scheme had accumulated a notional deficit of £10.3 billion against the notional assets as at 31 March 2012. From an accounting perspective, a valuation of the scheme liability is carried out annually by the scheme actuary by updating the results of the full actuarial valuation based on detailed membership data. The latest assessment of the liabilities of the scheme was undertaken for the year to 31 March 2014 and is contained in the scheme actuary report which forms part of the annual NHS Pension (England and Wales) Resource Account, published annually. These financial statements can be viewed on the NHS Pension website. Going forward the charity’s contributions may be varied from time to time to reflect the changes in the scheme’s liabilities. Employer’s contribution rates are set to increase during 2015 as part of the new scheme arrangements being introduced from 1 April 2015.

The charity also participates in the Teachers’ Pension Scheme, a defined benefit scheme for employees who were formerly employed by Local Education Authorities. The Teachers’ Pension Scheme is an unfunded scheme. Contributions on a ‘pay-as-you-go’ basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. In the year, the charity made contributions for 3 employees totalling £16,000 (2013: 5 employees, £19,000) to the Teachers’ Pension Scheme.

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Vivek volunteers at his local Macmillan information centre and also runs support groups for people with cancer. Having had a brain tumour himself, he’s able to draw on his own experiences to help others. He says, ‘I realised that even though I’m in this position myself, I’ve still got something to offer other people who are struggling. It definitely helps that I’ve been through it myself as well.’

For Vivek, who was supported by a Macmillan nurse, volunteering is also a way to give something back. He adds, ‘When I researched Macmillan, I realised that they help us so much. I thought, I want to be part of this.’

‘By volunteering, I’m helping myself as well as others.’
Legal and administrative details

For the year ended 31 December 2014

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

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

Company number 2400969
Charity number 261017
Scottish charity number SC039907

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

Patron
HRH The Prince of Wales

President
The Countess of Halifax

Deputy President
Jamie Dundas

Chairman
Julia Palca

Treasurer
Simon Heale

Company Secretary
Victoria Benson

Chief Executive
Lynda Thomas

Executive Strategy Team
Corporate Resources
Chris Hunt

Fundraising
Simon Phillips

Marketing and Communications
Hilary Cross

Services and Influencing
Juliet Bouverie

Bankers
Royal Bank of Scotland
280 Bishopsgate
London EC2M 4RB

Solicitors
Withers LLP
16 Old Bailey
London EC4M 7EG

Investment Managers
JP Morgan Private Bank
1 Knightsbridge
London SW1X 7LX

Independent Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Macmillan Defined Benefit
Pension Scheme Actuary
First Actuarial LLP
2nd Floor, The Square
Basing View
Basingstoke
Hampshire RG21 4EB

There are so many people we’d like to thank. Our work simply wouldn’t be possible without our supporters, donors, partners, volunteers and fundraisers.

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The Hugh Fraser Foundation
Jacques Vert Group
Mr Michael Jarman
The Jordan Charitable Foundation
Joseph Safra Foundation
Kier Group
Kirkcaldy Charity Shop
The Martin Lavin Foundation
Mrs Inge Lenga
The Mackintosh Foundation
Making a Difference Locally (Nisa Retail)
Manning Stainton
The Margaret Giffen Charitable Trust
Marks & Spencer
Thank you

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McClure Solicitors
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npower
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Patricia Thompson
Paul Thompson
The Peacock Charitable Trust
Perth Cornhill Macmillan Support Group
The Pharsalia Charitable Trust
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Mr Colin Poore
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Chris and Anne Rice
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Sport England
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Webhelp (UK) Ltd
Wilko
The Wixamtree Trust
Peter Wood
The Toby and Regina Wyles Charitable Trust
The Elizabeth and Prince Zaiger Trust
The Zochonis Charitable Trust
When you have cancer, you don’t just worry about what will happen to your body, you worry about what will happen to your life.

No one should face cancer alone. So when you need someone to turn to, we’re here. We’re a constant source of support, giving you the energy and inspiration to help you take back control of your life.

For support, information or if you just want to chat, call us free on 0808 808 00 00 (Monday to Friday, 9am–8pm) or visit macmillan.org.uk