



 **TEENAGE
CANCER
TRUST**

ANNUAL REPORT
2017/18

CONTENTS

A note on our accounting period	3
Chairman and Chief Executive's Statement	5
Progress against our strategic plan	6
Our 2017/18 in numbers	8
What we've achieved	10
Fundraising aims and achievements	12
Financial review and results for the year	14
Financial management policies	19
Governance and management	20
Risk and safeguarding	21
Auditor's report and financial statements	24

EVERYDAY, SEVEN YOUNG PEOPLE IN
THE UK ARE TOLD THEY HAVE CANCER.

THEY WILL EACH NEED SPECIALISED NURSING
(ARE AND SUPPORT, TO GET THEM THROUGH
THE TOUGHEST TIMES THEY MAY HAVE FACED.

WE'RE THE ONLY UK CHARITY
MEETING THIS VITAL NEED.



Our accounting period

This report covers the 18-month financial
period from 1 July 2017 to 31 December 2018.

Comparative figures relate to the
12 months to 30 June 2017.



“OUR
DETERMINATION
TO SUPPORT
EVERY YOUNG
PERSON WITH
CANCER HAS
NEVER BEEN
STRONGER.”



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We believe passionately that every young person with cancer has the right to the best treatment, care and support. 2017/18 brought us closer than ever to reaching every teenager and young adult who needs us, but there is much more to do to make sure young people across the UK can access our services.

There are many reasons to be incredibly proud of what we achieved in 2017/18. We successfully expanded our Nursing and Support Service, our programme that enables more young people with cancer across the UK to access our services, regardless of where they live. We were the official Charity of the Year partner of the 2018 Virgin Money London Marathon, raising a spectacular £1.7 million. And we launched our Youth Advisory Group, a group of 24 young people with experience of cancer who will shape what we do in a huge range of ways.

Alongside the achievements of last year, however, we also faced challenges, as the costs of our expanding work increased and we continued to operate in a difficult fundraising market and a challenging NHS environment.

But our determination to support every young person with cancer has never been stronger and we're gearing up to deliver even greater impact with our 2020-2025 strategy.

In 2019 we will continue to extend our Nursing and Support Service and will also roll out our digital platform to support young people in identifying the emotional and clinical support they need. We will be working with our new Youth Advisory Group to find ways to make our support even better and we will invest in fundraising to ensure our resilience in a tough climate. We are also developing our support for young people with cancer both during and after treatment, as well as building a campaigning strategy to highlight and address the unique challenges young people face.

In everything we do, we will never lose sight of the fact that the generosity of our supporters makes our work possible. So many people contribute to what we do in so many ways, and together we make an unstoppable team. We can't thank you enough for being part of it,

David Hoare *Kate Collins*

David Hoare
Chairman

Kate Collins
Chief Executive

PROGRESS AGAINST OUR STRATEGIC PLAN

REACH - extend our REACH to ensure that every young person with cancer has access to expert support.

Over the past 18 months we have continued to roll out our Nursing and Support Service across the UK. The service complements and extends the support we offer on our units in the 28 Principal Treatment Centres for cancer in major NHS hospitals across the UK. It means we can reach many more young people in these hospitals, local designated hospitals and in their homes.

By the end of 2018 we had funded an additional 19 Clinical Nurse Specialists and five Multi-Disciplinary Team Coordinators, making our implementation of the service 75% complete. A further six posts are due to be recruited in 2019, which will take us to 90% of our roll-out.

Final implementation of the service is planned for the rest of the UK in 2020. Funding the additional costs of these expanded services is a significant challenge, but it's vital we complete the roll-out so we can reach every young person diagnosed with cancer.

GROW income sustainably to be an organisation that raises £20m every year.

We increased year-on-year fundraising in pro-rata terms and we believe this represents a strong performance in a very tough economic climate. As was also the case in the year to 30 June 2017, however, we weren't able to achieve the level of growth set out in this strategic goal.

As well as external economic factors and increasing financial pressures on the NHS, we also identified internal barriers that limited our growth. It's these that we are focusing on to drive our organisation and our work forward, for example making the most of our strong brand and technological opportunities to support our fundraising and service delivery. We'll also be investing in fundraising to realise our potential and grow our income.



BUILD stronger ways of working so that we can deliver the best for young people now and in the future.

Our work to become more resilient and more efficient as an organisation is well underway.

We've established a Youth Advisory Group to make sure all of our work is driven and informed by the experiences of young people with cancer.

We've rolled out our Integrated Assessment Mapping (IAM) tool to collate anonymised data on cancer incidence, along with an assessment tool for young people with cancer, to allow us to improve the support we offer to young people during cancer treatment.

We've also created more efficient ways of working, such as centralising our fundraising processes so staff can focus on building long-term relationships with our supporters, rather than on administrative tasks. And we've developed our IT infrastructure to take advantage of cloud technologies to improve flexibility and reliability. We've also developed our data processes in line with GDPR requirements.

By improving how we work in all of these ways, we can keep improving the support we offer to young people before, during and beyond a cancer diagnosis.



OUR 2017/18 IN NUMBERS

100%
of young
people*

felt that having
access to a Teenage
Cancer Trust unit had
a positive impact on
their cancer journey



60

INCREDIBLE
Teenage Cancer Trust
Nurses funded



1,661
AWESOME

volunteers gave their
time and energy

2,720

copies of "Honest Answers,
Sound Advice: A Young
Person's Guide to Cancer"
given out to young people



24



insightful
young people joined
our new Youth
Advisory Group



£12.3m
invested
in life-changing
cancer services

100%

of young people**
agreed that Find Your
Sense of Tumour had a
positive impact on them

*From surveys of 89 young people at our 2017 Find Your Sense of Tumour events
**From surveys of 106 young people after the 2018 over 18s Find Your Sense of Tumour event

WHAT WE'VE ACHIEVED

BEFORE DIAGNOSIS

In the academic year 2017/18 our target was to speak to **225,000** students about cancer in **1,500** schools.

We actually spoke to **225,342** students about cancer in **1,423** schools.

In the academic year 2018/19 we'll speak to **225,000** students about cancer in **1,500** schools.

DURING TREATMENT

Our target for 2017/18 was to fund **58** Nurses, **35** Youth Support Coordinators and **seven** Multi-Disciplinary Team (MDT) Coordinators.

We actually funded or adopted* **60** Nurses, **34** Youth Support Coordinators and **six** MDT Coordinators**.

In 2019 we'll fund **76** Nurses, **36** Youth Support Coordinators and **10** MDT Coordinators.

*salary costs for adopted staff are paid by the NHS but staff are supported by Teenage Cancer Trust in terms of professional and peer support, accessing professional development grants and other benefits

**figures correct at December 2018

The expansion of our Nursing and Support Service means we can reach more young people in their local hospitals or homes. That means we've been there for young people like Callum, who decided to have his chemotherapy treatment in his local hospital five minutes away, rather than travel to the Teenage Cancer Trust unit over an hour away.

“**Teenage Cancer Trust's local Youth Support Coordinator Franki came to see me at home regularly while I was on treatment.**

I felt a bit alone while I was in hospital as I was on an adult ward and I brought the average age down considerably, so I really appreciated Franki's support.

She told me about social opportunities so I could meet people my age who were going through cancer, supported me to finish my university course and helped me reflect on everything I'd been through after getting the all-clear.”



CALLUM
23, CHESTER

AFTER TREATMENT

In 2017/18 (over our 18-month reporting period) our target was for **510** young people to attend one of our four Find Your Sense of Tumour events, and **119** to book onto our Way Forward events.

528 young people attended Find Your Sense of Tumour and **112** attended Way Forward.

In 2019 (over 12 months) we aim for **275** young people to attend one of our two planned Find Your Sense of Tumour weekends, and **100** at Way Forward.

Our post-treatment events provide life-changing support for young people, allowing them to be there for each other and have an incredible experience at the same time.

Eilish (top right) attended Way Forward, our two-day event for 15-20 young people who've finished cancer treatment. It's a safe, comfortable space with practical, expert advice on the big issues and lots of opportunities to meet other young people who've had cancer.



EILISH
22, LUTON

“**I went to talks on things like employment, diet and fertility and I felt really comfortable around the other young people and felt happy to ask questions in front of them.**

I hadn't been able to ask the questions at my doctor's appointment as I felt so emotional still. I chatted to people about the side effects I had suffered and was still suffering, and I could relate to them about experiences they had also been through. This gave me so much peace knowing I wasn't abnormal for thinking the things I was or feeling the way I was.

Now, if I am worried about anything, I speak to the friends I met there. I would recommend Way Forward to anyone.”

”

FUNDRAISING AIMS AND ACHIEVEMENTS

Our supporters make our work possible. It really is that simple. We rely wholly on voluntary fundraising, so all the support we offer to young people with cancer is the direct result of the passion and determination of people and organisations across the UK and Channel Islands.

Over the last 18 months our incredible supporters raised £23.05m. That's life-changing for the young people we support – thank you to every single supporter for their dedication. We're already putting that money into action to reach more young people with cancer.

Looking to the future, we know we need to raise significantly more to provide young people with the services they need, and we have been exploring how to do just that.

OUR APPROACH TO FUNDRAISING

The trust our supporters put in us is a gift in itself, and we work very hard to honour it.

Fundraising is discussed regularly at Board meetings, to help ensure that our fundraising practices reflect and reinforce our values. That's just as important whether we're fundraising ourselves or working through partners, suppliers or volunteers. We also share our Fundraising Principles externally and with all staff. These guide our work and help supporters understand exactly what to expect from us.

In 2018 we undertook a full review of our fundraising activities to identify ways we can improve in the future. We're committed to developing a broad-based fundraising strategy that creates a mix of income streams to help balance risk. This is vital both because our ambition is growing and because ongoing economic and political uncertainty, combined with the rapid development of new technology, mean the current fundraising environment is a challenging one.

We are members of the Fundraising Regulator and Institute of Fundraising and we are reviewing our policies and processes to ensure full compliance with the Fundraising Code of Practice. We also have a Complaints Policy and clear procedures for handling complaints. These are designed to help us build our relationship with anyone who complains, so each complaint becomes an opportunity to improve.

We do not currently use either professional fundraisers or commercial participators to carry out any of our fundraising activities.

In 2017/18 we received 84 complaints (out of a total of 115,661 interactions with our supporters) and positively resolved them all without any being escalated to the Fundraising Regulator.

Teenage Cancer Trust relies wholly on public donations. We receive no government or NHS funding at all.

It's vital we invest in our future and make sure we can carry on doing what we do year after year. That's the only way we'll still be there for the 2,500 young people who'll be told they have cancer next year, and every year after that.

So for every £1 you donate, 75p is spent directly on delivering our services, while 25p is invested in raising funds for the future (averaged over the last three accounting periods).



FINANCIAL REVIEW AND RESULTS FOR THE FINANCIAL PERIOD

The Consolidated Statement of Financial Activities (SOFA) set out on page 28 shows the financial results for Teenage Cancer Trust and its trading subsidiary.

INCOME

The change in our accounting year (from July-June to January-December) means we can align our planning and budgeting with the NHS, so they can incorporate our ability to support posts into their plans. Also, as we typically raise more income in the first half of the financial year, this helps us to better manage any shortfall we might experience and also means we can budget more accurately.

To implement this change, the 2017/18 period we are reporting on is an 18-month accounting period from July 2017 to December 2018. This makes it difficult to make a direct comparison with the previous 12-month period – especially as our income is not evenly spread throughout the year. We generate less than 40% of our income between July and December, with over 60% coming in the first half of the year, when our Royal Albert Hall shows and key events such as the Virgin Money London Marathon take place.

Consequently income for the 18 months from 1 July 2017 to 31 December 2018 amounted to £23.1m which compares with £16.0m for the previous 12 months (ended 30 June 2017). However by way of direct comparison, income for the year ended 31 December 2018 was £16.4m, which is 2.5% greater than the year ended 30 June 2017.

Income from the Royal Albert Hall shows in March 2018 was £1.2m less than the previous year – 2017 was an exceptional year for income from the shows, with The Who headlining twice, and the involvement of Ed Sheeran. This significantly uplifted ticket prices and income across the week, which we did not expect to be repeated this year.

However, this was more than compensated for by an increase in corporate income of £1m from our amazing charity partners, and from revenue raised through our role as 2018 Virgin Money London Marathon charity of the year. The race raised an additional £1.3m for our work compared to previous years.

The fundraising climate remains challenging and competitive, and these results show that it's vital for us to develop a varied portfolio of fundraising activities to manage the risk of over-reliance on individual sources of income.

EXPENDITURE

Despite a limited increase in income, we have continued to grow throughout the period under review – as have the services that we have delivered. During the 18 months ended 31 December 2018, expenditure was £24.5m which compares with £15.6m for the year ended 30 June 2017. A pro-rata comparison between the 12 months of 2018 and the 12 months of our previous accounting period shows that total expenditure increased by £1.7m from £15.6m to £17.3m, reflecting growth across all areas of activity.

There was a budgeted overspend during the period, largely to support the ongoing roll-out of our Nursing and Support Service across the UK. This was the cornerstone of our 2015-2020 strategy, and we remain on track to achieve the key strategic goal of reaching every young person with cancer by 2020. This is a remarkable achievement, especially in light of the challenging economic climate and its impact on both fundraising and the NHS – our key partner in delivering these essential services.



A further analysis of expenditure shows that for the 18 months ending 31 December 2018, the cost of fundraising activities was £5m, which generated income of £18.3m; for the year ended 30 June 2017, the cost of fundraising was £3m which generated £16m. It remains a key strategic priority to develop new fundraising income streams that will drive up our return on investment during the next strategic period. Expenditure on trading activities for the 18 months ending 31 December 2018 was £4.4m, which compares with £3.2m for the year ended 30 June 2017; and expenditure on charitable activities was £15.1m as compared to £9.4m for the year to 30 June 2017. This latter increase reflects the increasing numbers of funded staff as the Nursing and Support Service is rolled out across the UK.

As a result, when looking at the 18 months in total, our retained deficit was £1.4m. The deficit for the 12 months of 2018 was £0.9m. Returning to a balanced budget will be a key requirement of our 2020-2025 strategic plan.

Support and governance costs remained at 10% of our total expenditure in 2017/18. This reflects our ongoing focus on efficiency, which has kept costs stable while extending our capacity and scale.

Staff costs for employed staff increased by 2%, which reflects the 2% pay rise in July 2017. Head count increased by 5%.

RESERVES

We had unrestricted reserves of £13.3m at the end of 2018 and restricted reserves of £0.7m.

In total, our reserves fell by £1.4m to £14m when compared to the previous year, as a result of the deficit generated in the 18 months under review and due to the planned investment in our Nursing and Support Service. Unrestricted reserves fell by £1.6m, whereas restricted reserves increased by £0.2m. Unrestricted reserves at the end of the year are in line with our reserves policy (see page 19).

Restricted reserves continue to be well managed and spent at the earliest opportunity. Of the £651k available at the end of 2018, we estimate that around 80% will be spent in 2019.

NEXT YEAR

The Trustees have approved further investment in our services and infrastructure in 2019 resulting in a planned deficit of £1.7m. This will be funded from unrestricted reserves and will ensure our strategic goal to create services that every young person with cancer can access by 2020 stays on track.

During 2019, the senior leadership team will work with young people, staff, stakeholders and Trustees to develop the new organisational strategy for 2020-2025. This will set out our vision of the ongoing evolution of our services to fulfil the key unmet needs of young people with cancer – before, during and beyond treatment.

We will develop a robust financial strategy to support this new strategic vision, ensuring we return to financial sustainability and generate income that equals or exceeds our expenditure each year. We anticipate that more reserves may be needed to drive fundraising initiatives and achieve the required level of growth. Trustees will carefully consider this investment and are conscious both that reserves are reducing and that our current financial performance needs to be redressed.

During this long financial period, there has been a significant focus on laying the foundations for the future strategy. We’ve undertaken a range of reviews, both internally and externally, to drive efficiency, strengthen our brand and understand the sector in which we operate.

These reviews, plus our recent investment in an enhanced marketing and communications function, will enable us to capitalise on our brand and develop our unique offering as a charity. We will shape a clear compelling vision to ensure supporters understand the importance of their support and young people engage with our services, moving on from cancer to live a full life wherever possible.

TRADING SUBSIDIARY

We have one wholly owned trading subsidiary, The Teenage Trust (Trading) Limited, which is incorporated in the United Kingdom. This subsidiary organises and holds fundraising events for Teenage Cancer Trust and passes its taxable surplus to Teenage Cancer Trust under Gift Aid.

In 2017/18, the concerts at the Royal Albert Hall were once again our biggest fundraising event. Income from the concerts includes both ticket sales and other fundraising at the events. The taxable surplus for the period to be Gift Aided to the charity amounted to £59k, compared to £1.1m in 2017.

This decrease from 2016/17 is as a result of returning to a more ‘normal’ week of shows after the truly remarkable series in 2017, which drove outstanding financial returns. In 2018, the surplus from the shows was £0.9m, which is slightly below the £1m target. This figure is very dependent on both the acts performing and on the ticket price, both of which vary considerably from year to year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have developed a risk framework that clearly differentiates between the different types of risk that we face.

These are:

- **Strategic risks**, which impact our ability to deliver our strategy
- **Operational risks**, which are associated with internal operations, processes and ways of working
- **Project risks**, which are associated with the delivery of individual projects; and
- **Event risks**, which are linked to specific events.

The Trustees are responsible for the governance of the charity’s strategic risks. These must all be understood and managed if the charity is to achieve long-term success.

As at 31 December 2018, the principal strategic risks, and their management strategies, were identified as:

Risk	Management Strategy
Impact - the risk that we are not able to clearly demonstrate the impact of our work, and so limit opportunities to attract supporters and funders	<ul style="list-style-type: none">• Clearly define our vision, mission and core purpose• Establish what data is required to demonstrate our impact• Review the work of the impact and outcomes team• Develop a policy, influencing and engagement strategy
Financial sustainability - the risk that each year we continue to spend more than we raise and so become less financially resilient	<ul style="list-style-type: none">• Develop a new strategy supported by a clear vision, mission and core purpose, and by compelling calls to action• Clearly evidence the impact of the work we deliver• Develop a marketing and communications strategy to support the new fundraising strategy• Develop digital skills across the charity
Governance and organisational leadership - the risk that inefficient and unclear leadership processes and structures result in slow and suboptimal decisions	<ul style="list-style-type: none">• Further develop a clear, delegated scheme of authority that enables effective processes for decision-making and authorisation• Carry out a review of Board effectiveness against the Charity Governance Code• Embed the management of strategic risks into our Trustee and Senior Leadership Team agendas• Develop KPIs to understand the effectiveness of the Board and the Senior Leadership Team

Compliance – the risk that the charity is non-compliant with elements of applicable legislation and guidance around best practice that carries reputational and/or financial risk

- Carry out a review of fundraising compliance
- Develop guidance to ensure best practice in key areas of compliance, in particular around fundraising
- Implement recommendations from Data Protection Audit
- Refresh IT code of conduct
- Governance audit for Board to ensure best practice
- Carry out audit of suppliers, contracts and contracting arrangements
- Training and development of Trustees to ensure clear understanding of CC20 and other key compliance areas

Safeguarding - the risk that a serious safeguarding issue arises

- Continue to deliver ongoing mandatory safeguarding training to all staff and Trustees
- Continue to review and resolve all safeguarding incidents to continuously test and develop best practice

People and skills - the risk of not having all the right people, skills and resources in place, resulting in under-performance and reputational damage

- Develop a strategic workforce plan that includes a leadership and management framework, a leadership development programme, a reward and retention strategy and a competency framework

For full details of our risk policy and risk management practices, see page 21.

This is the end of the charity's Strategic Report as required by the Companies Act.

OUR WORK IN SCOTLAND

Teenage Cancer Trust is registered with the Office of the Scottish Charity Regulator (OSCR) (registration number SC039757). In Scotland, we deliver specialist teenage and young adult cancer services in hospitals, along with cancer education.

In the 18 months to 31 December 2018, we provided specialist cancer facilities and specialist staff at the Royal Hospital for Children and The Beatson West of Scotland Cancer Centre in Glasgow, and at the Royal Hospital for Sick Children and Western General Hospital in Edinburgh.

We also funded our Education and Awareness Programme in Scotland, aiming to educate all 13 to 24-year-olds about the signs of cancer. This is particularly important for early detection of melanoma, which is on the rise among young people in Scotland. We currently have eight members of staff in Scotland (figure correct as at December 2018).

FINANCIAL AND MANAGEMENT POLICIES

RESERVES POLICY

Restricted Funds

It's our policy to spend restricted funds as soon as we can. We hold onto them until we can spend them according to our supporters' wishes, and in the rare event that's not possible, our Trustees contact the supporter to ask if their donation can be transferred to our unrestricted funds or if they would prefer it to be returned to them.

Unrestricted Funds

There was no change to our reserves policy in the period under review.

The policy states that unrestricted reserves should not fall below the equivalent of six months' running costs or rise above 12 months' planned running costs. At the end of the financial year, this meant the lower and upper reserve limits were £9m and £18m.

At the balance sheet date, the amount of unrestricted reserves, excluding designated funds, was £14m – in the middle of the approved range. As we've explained on page 16 – and despite a budgeted increase in income in the year ahead – the Trustees have approved a budgeted deficit for 2019 of £1.7m, which will see a corresponding fall in unrestricted reserves. However, the overall level of reserves will remain within our reserves policy.

By December 2019, we will finalise our new strategy for 2020-2025, with a financial plan that ensures our ongoing revenue expenditure does not exceed our income. To achieve this, it may be necessary to use some of our unrestricted reserves to invest in new fundraising opportunities and deliver the growth needed to meet the needs of young people. As a result, reserves may fall further towards the lower approved limit before returning to higher levels in the years ahead.

The Trustees will carefully consider all business cases that require use of these reserves, weighing up the balance between each opportunity and the potential risk involved.

The only designated fund at the start of the period is the fund that the Trustees set up in 2014 for fundraising inspired by Stephen Sutton. This was fully expended during the period in accordance with the public announcement made in May 2016.

INVESTMENT POLICY

Due to the continued uncertainty in the markets and the banking sector, our investment policy remained unchanged in the year under review. Our policy stipulates that funds can only be held by banks with a strong security rating. To this end, all cash deposits were held at Royal Bank of Scotland and Barclays Bank, our chosen retail banks.

At the end of the financial year, £4m of cash reserves were invested in fixed term deposits at Barclays and Royal Bank of Scotland to attract a slightly improved rate of return.

We plan to review our investment policy in the year ahead.

EMPLOYEES

Teenage Cancer Trust operates an equal opportunities recruitment policy. Our Remuneration Committee is responsible for overseeing the charity's pay and reward structures and approving annual pay increases.

The long-term success and performance of Teenage Cancer Trust is directly linked to the talents, motivation and accomplishments of our employees, and we recognise the importance of developing our employees and building our capability as an organisation.

We do this by recruiting great people, by building high levels of relevant skills and knowledge through our learning and development programme, and by providing a stimulating and rewarding work environment.

PENSIONS

The pension benefits offered by Teenage Cancer Trust consist of a defined contribution scheme into which Teenage Cancer Trust will contribute up to 5% of gross salary (dependent on employee contribution) to assist staff in reaching their target pension.

GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

Teenage Cancer Trust is a company limited by guarantee and governed by its Memorandum and Articles of Association, which were last modified on 28 July 2014. It is registered as a charity with the Charity Commission.

Objective

The objective of Teenage Cancer Trust is: 'The relief of sickness in young persons with cancer and related diseases'.

Public benefit

The principal beneficiaries of the work of Teenage Cancer Trust are the teenagers and young adults with cancer who are treated either on our specialist units within NHS hospitals or via our Nursing and Support Services.

Secondary beneficiaries of the work of Teenage Cancer Trust are the families and friends of the young people with cancer.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and planning future activities. In particular, the Trustees consider how the planned activities will contribute to the aims and objectives they have set.

The Board

The Board of Trustees is responsible for the strategic governance of the charity. In the period ending 31 December 2018, the number of Trustees serving on the Board was nine (2017 - nine).

The Board of Trustees meets six times a year and is responsible for setting our overall strategy. At each meeting the Board receives written reports on all aspects of our work.

The Board operates an equal opportunities recruitment policy and Trustees are required to have demonstrable experience in the areas identified by a skills audit. New Trustees follow a similar induction process to that of all new staff. They are required to spend time in the office, attend a staff day, visit a unit and meet key members of staff.

Trustees also undergo safeguarding training and generally gain an understanding of all aspects of our work. We provide ongoing training as needed, and Trustees are also required to gain a full understanding of the role's legal obligations.

Trustees are initially appointed for four years. Following this, they can be reappointed for a further four years – up to a maximum of three consecutive terms – by a majority decision of the other Trustees. After three terms the Trustee must retire from office and will only be eligible for reappointment after a period of at least one year.

Strategic management

The Board delegates certain areas of governance to committees. These committees bring together Trustees with relevant commercial experience, who then make recommendations to the Board. The committees are:

- the Audit Committee, which meets our auditors when an audit is being planned and when it is completed. The Audit Committee monitors the implementation of auditor's recommendations and recommends our annual report and accounts to the Board;
- the Risk and Safeguarding Committee, which meets four times a year and is responsible for reviewing strategic risks and ensuring we have robust risk management and safeguarding practices in place throughout the charity; and
- the Remuneration Committee, which is responsible for overseeing our pay and reward structures and approving annual pay increases.

Chief Executive

The Board delegates the running of the charity to the Chief Executive, who is responsible for delivering the agreed strategy and ensuring the charity adheres to its policies. The Chief Executive is assisted by the Senior Leadership Team, who report to her and meet at least twice a month. Kate Collins was appointed as Chief Executive in March 2018 following the departure of Siobhan Dunn, the previous Chief Executive, earlier in the year. During the period under review, no expenses were incurred in the course of performing Trustee duties (2017-nil).

RISK AND SAFEGUARDING

The Risk and Safeguarding Committee comprises two Trustees. They meet four times a year with senior members of staff who represent relevant aspects of the charity's work, including the Director of Finance and Strategic Performance (who is the executive lead on risk management) and the charity's safeguarding lead.

Risk

The Trustees have a formal risk management process in place to assess major risks.

This process:

- identifies the risks we face
- prioritises them according to how likely they are to occur and how much impact they could have
- ensures, where appropriate, that adequate measures are in place to minimise their impact.

Overall responsibility for ensuring this process is carried out effectively lies with the Board of Trustees.

Risk management practices, including incident reporting, are embedded throughout all operations. They form an integral part of business decisions and underpin strategic thinking. Risk management is also the main driver for the development of the policy and procedures framework, which covers all areas of operations. All projects and events are risk assessed at the planning stage, and this plays a key role in determining whether the event or project should go ahead.

Details of the most significant risks facing the charity and its subsidiary are detailed on page 17, together with the associated strategies for managing each risk.

Each quarter, progress against the strategy is formally measured and reviewed, and the most significant risks to our strategic goals are identified and reported to the Trustees.

Safeguarding

The Trustees have overall responsibility for ensuring we have proper safeguarding procedures and policies in place to ensure the safety and protection of the children and vulnerable adults we work with. They have due regard to the guidance issued by the Charity Commission and have all read the Department of Education's guidance document, 'Safeguarding for Trustees'.

We've implemented the following safeguarding policies and procedures:

- The appointment of a Trustee with overall responsibility for safeguarding and a safeguarding lead
- Safe recruitment policies including full DBS (Disclosure and Barring Service) checks for all staff working with young people
- Safeguarding training for all Trustees and staff, in line with their roles and responsibilities – and repeated every two years
- Robust risk and safeguarding assessment practices, so that individual events are always managed in a way that protects young people, staff and volunteers.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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 and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the incoming resources and application of resources, including income and expenditure, for the year. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate and proper accounting records. These must be sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity. The Trustees should also ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and with the requirements of the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additionally, the Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Going concern

The charity's financial position has been outlined on pages 14-15 of this report. The Trustees have assessed projected income to the end of 2018 and related plans for expenditure and use of reserves. They have considered the charity's reserves position, strategic risks, the various income streams on which the charity relies, the liquidity of its assets and hence the charity's ability to withstand a fall in income. Based on this information, the Trustees have concluded that Teenage Cancer Trust and its subsidiary The Teenage Trust (Trading) Limited have adequate resources to continue activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of these accounts.

Auditors

BDO LLP was re-appointed as auditors in the year in accordance with the Companies Act 2006.

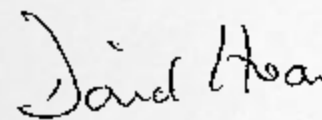
Related parties

None of the Trustees of the charity receives any remuneration or other benefit from their work with the charity. Expenses incurred in the course of performing Trustee duties are reimbursed by the charity and are disclosed in note 19 to the financial statements.

Trustees' awareness statement

Each of the Trustees has confirmed that, so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware. They have also done everything they should have done, as a trustee, to make themselves aware of any relevant audit information and to ensure the charity's auditors are aware of it.

The Report of the Trustees (incorporating the Strategic Report) was approved by the Board of Trustees on 18 July 2019 and authorised to be signed on its behalf by:



David Hoare
Chair of the Board

AUDITOR'S REPORT AND FINANCIAL STATEMENTS...



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF TEENAGE CANCER TRUST

Opinion

We have audited the financial statements of Teenage Cancer Trust ("the Parent Charitable Company") and its subsidiaries ("the Group") for the period ended 31 December 2018 which comprise the Statement of Financial Activities, the Consolidated and Parent Charitable Company balance sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 December 2018 and of the Group's incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

Other information

The other information comprises the information included in the Report of the Trustees', other than the financial statements and our auditor's report thereon. The other information comprises: the Chairman and Chief Executive's Statement and the Report of the Trustees (including the Strategic Report). The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF TEENAGE CANCER TRUST

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees', which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, included within the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF TEENAGE CANCER TRUST

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Fiona Condron (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex

Date 24 July 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
For the period ended 31 December 2018

Note	Unrestricted funds 2018 18 months £	Restricted funds 2018 18 months £	Total funds 2018 18 months £	Unrestricted funds 2017 12 months £	Restricted funds 2017 12 months £	Total funds 2017 12 months £
INCOME						
Fundraising activities						
Donations and community fundraising	10,979,039	2,758,724	13,737,763	7,688,471	1,657,965	9,346,436
Corporate support	4,417,231	180,600	4,597,831	2,708,572	30,896	2,739,468
	15,396,270	2,939,324	18,335,594	10,397,043	1,688,861	12,085,904
Income from trading activities	4,629,773	-	4,629,773	3,754,070	-	3,754,070
Interest earned on cash deposits	73,600	14,715	88,315	58,518	3,791	62,309
Income from charitable activities	-	-	-	119,540	-	119,540
TOTAL INCOME	20,099,643	2,954,039	23,053,682	14,329,171	1,692,652	16,021,823
EXPENDITURE						
Cost of raising funds						
Fundraising activities	4,995,818	9,518	5,005,336	2,866,430	93,684	2,960,114
Trading activities	4,420,960	3,737	4,424,697	3,195,241	35,439	3,230,680
Total cost of raising funds	9,416,778	13,255	9,430,033	6,061,671	129,123	6,190,794
Expenditure on charitable activities						
Before diagnosis	3,346,622	122,275	3,468,897	2,077,011	105,847	2,182,858
During treatment	6,201,369	1,931,557	8,132,926	3,641,297	1,218,506	4,859,803
After treatment	996,050	684,579	1,680,629	517,363	440,558	957,921
Underpinning our services	1,768,790	1,994	1,770,784	1,354,955	19,415	1,374,370
TOTAL EXPENDITURE	21,729,609	2,753,660	24,483,269	13,652,297	1,913,449	15,565,746
Net (Expenditure)/Income before other recognised gains and losses	(1,629,966)	200,379	(1,429,587)	676,874	(220,797)	456,077
Net movement in funds	(1,629,966)	200,379	(1,429,587)	676,874	(220,797)	456,077
Total funds brought forward	14,971,670	450,979	15,422,649	14,294,796	671,776	14,966,572
Total funds carried forward	13,341,704	651,358	13,993,062	14,971,670	450,979	15,422,649

All transactions arise from continuing operations.

All gains and losses are included above.

For the purposes of the Companies Act, net expenditure of £1,429,587 (2017: £456,077 net income) is total income of £23,053,682 (2017: £16,021,823) less gifts in kind of £428,321 (2017: £403,254) minus total expenditure of £24,483,269 (2017: £15,565,746) less gifts in kind of £428,321 (2017: £403,254).

CONSOLIDATED AND CHARITY BALANCE SHEETS (Company Number: 3350311)
As at 31 December 2018

Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Fixed assets				
Tangible fixed assets	8 43,853	132,905	43,853	132,905
Investments	9 -	-	2	2
	43,853	132,905	43,855	132,907
Current assets				
Stock	15,376	28,545	-	-
Debtors	10 1,239,275	1,623,025	1,451,526	2,784,316
Cash held in deposit accounts	4,026,809	6,017,978	4,026,809	6,017,977
Cash at bank and in hand	11,351,764	9,950,040	11,079,551	8,617,214
	16,633,224	17,619,588	16,557,886	17,419,509
Creditors: amounts falling due within one year	11 (2,684,015)	(2,329,844)	(2,611,269)	(2,132,356)
Net current assets	13,949,209	15,289,744	13,946,617	15,287,153
Total net assets	13,993,062	15,422,649	13,990,472	15,420,060
Represented by:				
Funds and reserves				
Restricted funds	15 651,358	450,979	651,358	450,979
Unrestricted funds				
Designated funds	15 -	314,259	-	314,259
General fund	13,341,704	14,657,411	13,339,114	14,654,822
	13,993,062	15,422,649	13,990,472	15,420,060

Teenage Cancer Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006 not to provide a separate Statement of Financial Activities for the charity. The results for the charity for the period were:
Total income £20,586,468 (2017: £13,745,974);
Total expenditure £22,016,055 (2017: £13,289,897);
Overall deficit of £1,429,587 (2017: £456,077 (Surplus)).

The financial statements were approved and authorised for issue by the Board of Trustees on 18 July 2019

David Hoare
Chair of the Trustees
David Hoare

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 December 2018

	2018 18 months £	2017 12 months £
Cash flows from operating activities		
(Deficit)/Surplus for the financial period	(1,429,587)	456,077
Investment income and bank interest	(88,315)	(62,309)
Depreciation	89,052	95,591
Decrease in stock	13,169	46,559
Decrease/(Increase) in debtors	383,750	(538,508)
Increase/(Decrease) in creditors	354,171	(66,229)
Net cash (used in)/provided by operating activities	(677,760)	(68,819)
Cash flows from investing activities		
Interest received and investment income	88,315	62,309
Net cash provided by investing activities	88,315	62,309
Net (decrease) in cash and cash equivalents	(589,445)	(6,510)
Cash and cash equivalents at beginning of period	15,968,018	15,974,528
Cash and cash equivalents at end of period	15,378,573	15,968,018
Cash and cash equivalents comprise:		
Cash held in deposit accounts	4,026,809	6,017,978
Cash at bank and in hand	11,351,764	9,950,040
	15,378,573	15,968,018

NOTES TO THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENT
For the period ended 31 December 2018

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are summarised below and have been consistently applied throughout the 18 months and to the preceding period.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015), for charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities and Trustee Investment (Scotland) Act 2005. The date of transition to FRS102 was 1 July 2014.

The charity meets the definition of a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern, and therefore the financial statements are prepared on a going concern basis and under the historical cost convention.

PARENT COMPANY DISCLOSURE EXEMPTIONS

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

SCOPE OF CONSOLIDATED ACCOUNTS

The group financial statements consolidate the accounts of the charity and its subsidiary undertaking, The Teenage Trust (Trading) Limited. The transactions, assets and liabilities of this company have been consolidated with those of Teenage Cancer Trust as they are ultimately controlled by the Trustees of the charity.

INCOME

Voluntary income

Income is recognised in the period in which Teenage Cancer Trust is entitled to receipt of that income and when the amount can be measured with reasonable accuracy.

Legacy income is recognised when entitlement to the legacy exists - this is when the executors have informed the charity that a payment which can be measured reliably may be made following the agreement of the estate's accounts.

Gift Aid is accounted for as income in the same period as the donation to which they relate.

Gifts in Kind

Gifts in kind over £10,000 are recognised as both income and expenditure and are included in the statement of financial activities at its fair market value that would have been charged if purchased from the donor.

Activities for generating funds

Income from fundraising events, which is received in advance, is recognised at the time of the event. Other fundraising income is recognised when it falls due.

Investment income

Investment income comprises interest receivable and is recognised on an accruals basis. Interest is receivable from short-term, fixed rate deposits.

Volunteers

Teenage Cancer Trust benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual review. In accordance with FRS 102 and the Charities SORP, the economic contribution of general volunteers is not recognised in the accounts.

EXPENDITURE

Expenditure is accounted for on an accruals basis and is classified in the following categories:

- cost of raising funds; and
- charitable activities.

Cost of raising funds includes expenditure incurred on fundraising activities.

Charitable activities include expenditure directly relating to the delivery of the services (including staff costs) provided by the charity.

Grants to fund hospital units or other projects are recognised in the accounts at the date of commitment once approved by the Trustees and communicated to the recipient.

Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on staff time spent on each area of work. Governance costs represent the costs of governance arrangements including setting the strategic directions of the charity. Governance costs also include external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements.

TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Depreciation is calculated to write off the cost less estimated residual value of all tangible fixed assets by equal instalments over their expected useful lives.

The rates generally applicable are:

- Computer and office equipment 25% on cost
- Website development 25% on cost

LEASED ASSETS

Payments in respect of operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

STOCK

Stock is stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid, net of any discounts due.

INVESTMENTS

Investments comprise cash deposits.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

PENSION COSTS

Contributions to employees' personal pension plans are charged to the statement of financial activities in the year in which they become payable. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on staff time spent on each area of work in line with the underlying salary.

TERMINATION PAYMENTS

Termination payments are recognised as an expense in the statement of financial activities immediately.

FUND ACCOUNTING

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the Trustees.

The designated funds are monies set aside out of the general fund and designated for specific projects.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

However, management do not consider there to be any material judgements or estimation and uncertainty requiring disclosure.

NOTES TO THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENT

For the period ended 31 December 2018

2 NET INCOME OF TRADING SUBSIDIARY

The charity has one wholly owned trading subsidiary, The Teenage Trust (Trading) Limited, which is incorporated in the United Kingdom and which organises and holds fundraising events in support of Teenage Cancer Trust. The subsidiary company passes its taxable surplus to Teenage Cancer Trust under gift aid.

A summary of the subsidiary company's trading results for the period is given below. Audited accounts will be filed with the Registrar of Companies.

	2018 18 months	2017 12 months
	£	£
Income	2,526,130	3,412,867
Expenditure	(2,467,214)	(2,275,849)
Surplus	58,916	1,137,018
Amount paid under gift aid to Teenage Cancer Trust	(58,916)	(1,137,018)
Retained surplus for the period	-	-

3 GIFTS IN KIND

	2018 18 months	2017 12 months
	£	£
Free marketing for RAH shows	185,615	246,254
Production of RAH shows	183,774	110,000
Jukeboxes	25,272	27,000
Free Airtime	15,000	-
Shopping Vouchers	18,660	-
London Marathon Launch Film	-	20,000
	428,321	403,254

4 ANALYSIS OF EXPENDITURE

	Direct costs	Grants payable	Direct Staff costs	Support & Governance costs	Total 2018	Total 2017
	18 Months to 31 Dec 2018				18 months	12 months
	£	£	£	£	£	£
Cost of raising funds						
Fundraising activities	549,711	-	3,510,086	945,539	5,005,336	2,960,114
Trading activities	2,535,094	-	1,518,391	371,212	4,424,697	3,230,680
	3,084,805	-	5,028,477	1,316,751	9,430,033	6,190,794
Direct charitable expenditure						
Before Diagnosis						
- Education and awareness	502,909	-	2,353,090	612,898	3,468,897	2,182,858
	502,909	-	2,353,090	612,898	3,468,897	2,182,858
During Treatment						
- Building, running and maintaining new and existing units	2,110,181	520,212	264,401	48,478	2,943,272	1,936,689
- Funding and development of NHS nursing and support staff	4,079,411	-	438,807	84,696	4,602,914	2,555,411
- Direct support to young people during treatment	315,495	-	225,099	46,146	586,740	367,703
	6,505,087	520,212	928,307	179,320	8,132,926	4,859,803
After Treatment						
- Support (events) for young people after treatment	698,260	-	805,945	176,424	1,680,629	957,921
	698,260	-	805,945	176,424	1,680,629	957,921
Underpinning our services						
- Policy	48,543	-	369,075	77,401	495,019	294,395
- Quality, Impact and Safeguarding	25,656	9,532	346,188	75,887	457,263	323,743
- Professional training and development	243,574	-	260,912	42,024	546,510	563,261
- Research, management and development of the specialism	241,493	-	27,737	2,762	271,992	192,971
	559,266	9,532	1,003,912	198,074	1,770,784	1,374,370
Total charitable expenditure	8,265,522	529,744	5,091,254	1,166,716	15,053,236	9,374,952
TOTAL EXPENDITURE IN THE 18 MONTHS TO 31ST DECEMBER 2018	11,350,327	529,744	10,119,731	2,483,467	24,483,269	15,565,746
Total expenditure in the 12 months to 30th June 2017	7,752,233	-	6,345,912	1,467,601	15,565,746	

NOTES TO THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENT
For the period ended 31 December 2018

5 SUPPORT & GOVERNANCE COSTS

	2018 18 months £	2017 12 months £
Office costs	946,541	608,330
Finance and professional fees	102,020	54,980
Information technology	593,089	281,143
Human Resource costs including recruitment, training and welfare	373,697	192,329
Marketing	35,052	52,626
Other costs	106,283	94,091
Governance costs	326,785	184,102
	2,483,467	1,467,601

ANALYSIS OF GOVERNANCE COSTS

	2018 18 months £	2017 12 months £
Audit	28,425	26,525
Other direct costs	73,078	18,977
Staff costs (See note 7)	202,410	125,373
Support costs	22,872	13,227
Total for the charity	326,785	184,102

Governance costs are reflected in both staff costs and support costs in Note 4 - costs are allocated to each activity based on the amount of time staff spend working in each area

6 NET (EXPENDITURE)

This is stated after charging:

	2018 18 months £	2017 12 months £
Staff costs	9,975,970	6,244,130
Auditors' remuneration - audit	28,425	26,525
Auditors' remuneration - tax and other	2,450	1,955
Operating lease rentals	610,689	394,743
Depreciation	89,052	95,591

7 STAFF COSTS

	2018 18 months £	2017 12 months £
Staff costs including non payroll costs during the period were as follows:		
Salaries and wages	8,480,715	5,300,174
Social security costs	882,385	551,197
Other pension costs & benefits	612,870	392,759
	9,975,970	6,244,130
Temp and non payroll costs	346,171	227,155
	10,322,141	6,471,285
Staff costs allocated to Governance (See note 5)	(202,410)	(125,373)
Direct Staff Cost	10,119,731	6,345,912

During the 18 months to 31 December 2018 the charity made termination payments amounting to £113,594 (2017: Nil). This amount is made up of payment in lieu of notice £29,181, holiday pay £13,918, loss of benefits £2,189 and termination payments of £68,306 which were recognised in the accounts period that the final salaries were paid.

The number of employees at 31st December 2018 was 173 (2017: 162) made up of 136 full time staff (2017: 134) and 37 part-time staff (2017: 28)

In the period to 31 December 2018, the average full time equivalent number of staff was 156 (2017: 149)

Staff numbers per function were as follows:

	2018 18 months Number	2017 12 months Number
Fundraising	83	76
Charitable activities - before diagnosis	39	37
Charitable activities - during treatment	11	13
Charitable activities - after treatment	11	12
Charitable activities - underpinning services	12	11
	156	149

NOTES TO THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL
For the Period ended 31 December 2018

7 STAFF COSTS contd

During the 18 month period, the number of employees remuneration within the following salary brackets (including taxable benefits, but excluding employer pension contributions), was as follows:

	2018 18 months Number	2017 12 months Number
£60,000-£69,999	17	4
£70,000-£79,999	11	2
£80,000-£89,999	3	1
£90,000-£99,999	5	1
£100,000-109,999	1	0
£110,000-119,999	1	0
£160,000-169,999	1	0

The number of employees annualised remunerations within the following salary brackets was as follows:

	2018 18 months Number	2017 12 months Number
£60,000-£69,999	5	4
£70,000-£79,999	2	2
£80,000-£89,999	0	1
£90,000-£99,999	0	1
£100,000-109,999	1	0

Pension contributions paid to higher paid employees for the 18 months amounted to £97,193 (2017: £106,235 (12 months)).

Remuneration paid to Key Management Personnel

Key Management Personnel comprises of the CEO and Senior Management Team of five directors. The total remuneration, including employer's national insurance contributions and pension contributions, paid to the Key Management Personnel in the 18 months was £762,923 (2017: £535,599 (12 months)).

The CEO's salary, excluding pension contributions is 2.83 times the average salary.

8 TANGIBLE FIXED ASSETS

	Computer and office equipment £	Website development £	Finance System development £	Total £
Charity and group				
Cost at 1 July 2017 & 31 December 2018	91,053	195,516	115,366	401,935
Depreciation				
At 1 July 2017	85,189	155,000	28,841	269,030
Charge in the period	5,274	40,516	43,262	89,052
At 31 December 2018	90,463	195,516	72,103	358,082
Net book value at 31 December 2018	590	-	43,263	43,853
Net book value at 30 June 2017	5,864	40,516	86,525	132,905

9 INVESTMENTS

Charity

	Shares in group undertakings £
Cost or valuation	
At 1 July 2017	2
At 31 December 2018	2
Market value at 31 December 2018	2
Market value at 30 June 2017	2

The charity's investment in its subsidiary company represents the cost of the called up ordinary share capital of the Teenage Trust (Trading) Limited, a company registered in England and Wales. The principal activity of the company during the period was the organisation and holding of fundraising events to raise monies for Teenage Cancer Trust.

At 31 December 2018 the aggregate of the share capital and reserves of The Teenage Trust (Trading) Limited amounted to £2,591 (2017: £2,591) and the retained surplus for the period ended 31 December 2018 was £nil (2017: £nil).

NOTES TO THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENT
For the period ended 31 December 2018

10 DEBTORS	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade debtors	47,879	311,482	22,707	47,437
Amount owed by subsidiary company	-	-	763,430	2,014,726
Taxation recoverable	2,357	4,688	2,357	4,688
Prepayments and other debtors	1,189,039	1,306,855	663,032	717,467
	<u>1,239,275</u>	<u>1,623,025</u>	<u>1,451,526</u>	<u>2,784,318</u>

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade creditors	315,019	525,437	307,743	418,494
Social security costs and other taxes	152,108	203,195	158,464	150,532
Grants payable (see note 13)	541,321	196,854	541,321	196,854
Other creditors	46,241	38,031	46,241	38,031
Accruals and deferred income	1,629,326	1,366,327	1,557,500	1,328,445
	<u>2,684,015</u>	<u>2,329,844</u>	<u>2,611,269</u>	<u>2,132,356</u>

12 DEFERRED INCOME	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Balance as at 1 July 2017	244,435	157,159	244,390	157,159
Amount released to income earned from charitable activities	(244,435)	(157,159)	(244,391)	(157,159)
Amount deferred in the period	166,734	244,435	131,768	244,390
Balance as at 31 December 2018	<u>166,734</u>	<u>244,435</u>	<u>131,767</u>	<u>244,390</u>

Deferred income comprises income received in respect of events taking place after 31 December 2018

13 GRANT COMMITMENTS

As at 31 December 2018 the charity had entered into the following funding commitments:

	2018 £	2017 £
Charity and Group		
As at 1 July 2017	196,854	463,886
New in the period	529,744	-
Payments in the period	(185,277)	(267,032)
As at 31 December 2018	<u>541,321</u>	<u>196,854</u>
Disclosed as:		
Falling due within one year	<u>541,321</u>	<u>196,854</u>
Analysis of commitments charged in the period:		
Lobbying tools	9,532	-
Various Unit Maintenance	6,886	-
Various Designated Hospital Enhancements	92,069	-
Various Principal Treatment Centre Revisions	421,257	-
	<u>529,744</u>	<u>-</u>

NOTES TO THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENT
For the period ended 31 December 2018

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

As at 31 December 2018

Funds are represented by:

Tangible fixed assets	43,853	-	-	43,853
Current assets	15,981,866	-	651,358	16,633,224
Creditors: amounts falling due within one year	(2,684,015)	-	-	(2,684,015)
Total net assets	<u>13,341,704</u>	<u>-</u>	<u>651,358</u>	<u>13,993,062</u>

General	Designated funds	Restricted funds	Total
£	£	£	£
43,853	-	-	43,853
15,981,866	-	651,358	16,633,224
(2,684,015)	-	-	(2,684,015)
<u>13,341,704</u>	<u>-</u>	<u>651,358</u>	<u>13,993,062</u>

As at 30 June 2017

Funds are represented by:

Tangible fixed assets	132,905	-	-	132,905
Current assets	16,854,350	314,259	450,979	17,619,588
Creditors: amounts falling due within one year	(2,329,844)	-	-	(2,329,844)
Total net assets	<u>14,657,411</u>	<u>314,259</u>	<u>450,979</u>	<u>15,422,649</u>

General	Designated funds	Restricted funds	Total
£	£	£	£
132,905	-	-	132,905
16,854,350	314,259	450,979	17,619,588
(2,329,844)	-	-	(2,329,844)
<u>14,657,411</u>	<u>314,259</u>	<u>450,979</u>	<u>15,422,649</u>

15 FUND MOVEMENTS

	As at 1st July 2017 £	Income £	Expenditure £	As at 31st December 2018 £
Current Year				
General fund	14,657,411	20,032,055	(21,347,762)	13,341,704
Designated funds				
Stephen Sutton	314,259	67,588	(381,847)	-
Total consolidated unrestricted funds	<u>14,971,670</u>	<u>20,099,643</u>	<u>(21,729,609)</u>	<u>13,341,704</u>
Restricted funds				
Oxford	174,162	1,306	(131,888)	43,580
Southampton General Hospital	142,526	19,983	(48,145)	114,364
Queens Trust	-	853,280	(752,584)	100,696
GLS Will Trust	-	270,596	(82,059)	188,537
Daisy Chain	-	224,083	(224,083)	-
Nursing & Support in South West	-	143,487	(143,487)	-
Nursing Rollout National	-	100,362	(100,362)	-
Funds with income and expenditure less than £100k	134,291	1,340,942	(1,271,052)	204,181
Total consolidated restricted funds	<u>450,979</u>	<u>2,954,039</u>	<u>(2,753,660)</u>	<u>651,358</u>
Total funds	<u>15,422,649</u>	<u>23,053,682</u>	<u>(24,483,269)</u>	<u>13,993,062</u>

Restricted funds come from various donors and are allocated to the unit or region in which the donor has requested they are spent. Restricted funds are expended at the earliest possible opportunity. 80% of the restricted funds at the year end are expected to be expended within the following year.

NOTES TO THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENT
For the period ended 31 December 2018

15 FUND MOVEMENTS contd

	As at 1st July 2016	Income	Expenditure	As at 30th June 2017
	£	£	£	£
Previous Year				
General fund	12,185,872	14,260,841	(11,789,302)	14,657,411
Designated funds				
Stephen Sutton	2,108,924	68,330	(1,862,995)	314,259
Total consolidated unrestricted funds	14,294,796	14,329,171	(13,652,297)	14,971,670
Restricted funds				
Oxford	244,614	4,234	(74,686)	174,162
Southampton General Hospital	182,160	29,667	(69,301)	142,526
Scotland	85,365	33,046	(118,411)	-
Fidelity Foundation	-	250,313	(250,313)	-
Queens Trust	-	428,936	(428,936)	-
Daisy Chain	-	108,220	(108,220)	-
Funds with income and expenditure less than £100k	159,637	838,236	(863,582)	134,291
Total consolidated restricted funds	671,776	1,692,652	(1,913,449)	450,979
Total funds	14,966,572	16,021,823	(15,565,746)	15,422,649

16 OPERATING LEASE COMMITMENTS

At 31 December 2018, the charity and group had the following total future minimum lease payments commitments under non-cancellable operating leases:

	2018	2018	2017	2017
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating lease payments due:				
Within less than one year	510,704	4,250	433,450	4,913
Within one to two years	510,704	4,250	103,315	2,128
Within two to five years	1,396,392	5,568	-	-

A five year extension for the building operating lease for our Head Office was signed on 20 December 2017.

17 LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members, being the number of Trustees at the time, are required to contribute an amount not exceeding £1.

18 TAXATION

Teenage Cancer Trust is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The subsidiary company makes qualifying donations of all taxable profit to The Teenage Cancer Trust. No corporation tax liability on the subsidiaries arises in the accounts.

No tax charge arose in the period (2017: £nil).

19 RELATED PARTY TRANSACTIONS

No trustee received any remuneration for their services during the period (2017: £nil)

No trustee expenses were reimbursed during the period (2017: £nil)

No trustee or any party connected with a trustee had any beneficial interest in any contract with the charity or its subsidiary during the period.

During the period, The Teenage Trust (Trading) Limited transferred its taxable surplus of £58,916 (2017: £1,137,018) to the charity under gift aid and paid the charity a management charge of £432,482 (2017: £392,233). There were no other transactions between the parent company and the subsidiary.

As at 31 December 2018, The Teenage Trust (Trading) Limited owed the charity £763,430 (2017: £2,014,726) (note 10).

LEGAL AND ADMINISTRATIVE DETAILS

Teenage Cancer Trust

Company registration number: 3350311;

Charity registration number: 1062559;

Scottish Charity registration number: SC039757.

Registered Office: 3rd Floor, 93 Newman Street, London, W1T 3EZ.

Constitution

Teenage Cancer Trust, 'the charity', is constituted as a company limited by guarantee and is registered for charitable purposes with the Charity Commission and the Office of the Scottish Charity Regulator (OSCR). The charity's governing document is the Memorandum and Articles of Association.

Trustees

David Hoare (Chair)

Ronald Harris

Andrew Hughes

Alan Patten (resigned 29 January 2018)

Richard Rosenberg

Paul Spanswick

Caren Hindmarsh

Varda Shine

Jeremy Shute

Kamaljit Hothi (appointed 26 April 2018, resigned 12 May 2019)

Chief Executive

Siobhan Dunn (resigned 4 January 2018)

Kate Collins (appointed 5 March 2018)

Senior Leadership Team

Jill Long (Director of Finance & Strategic Performance)

Linda Noon (Joint Interim Director of Fundraising) (from 9 April 2018 to 16 November 2018)

Malina Szreter (Joint Interim Director of Fundraising) (from 9 April 2018 to 16 November 2018)

Liz Tait (Director of Fundraising) (appointed 12 November 2018)

Alison Cowan (Interim Director of Marketing & Communications) (from 23 April 2018 to 31 January 2019)

Paul Brown (Director of Marketing & Communications) (appointed 12 February 2019)

Karen Turnbull (Director of People);

Simon Fuller (Director of Services) (resigned 20 April 2018)

Tanya Curry (Interim Director of Services), (appointed 16 May 2018)

Bankers

Barclays Bank plc, 50 Pall Mall, London SW1A 1QD

The Royal Bank of Scotland plc, Commercial Banking, Charing Cross Commercial Centre, 3rd Floor, Cavell House, 2a Charing Cross Road, London WC2H 0NN

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Solicitors

Taylor Vinters, Merlin Place, Milton Road, Cambridge, CB4 0DP

IBB Solicitors, Capital Court, 30 Windsor Street, Uxbridge, UB8 1AB



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