

Annual Report
and Financial
Statements
2015

maggie's

The Maggie Keswick Jencks Cancer Caring Centres Trust
A company limited by guarantee
Company number SC162451
Scottish charity registration number SC024414

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Welcome from the Chairman of the Board of Directors

In 2015, Maggie's celebrated 19 years of supporting people with cancer and their families and friends. Since the very first Maggie's Centre opened in Edinburgh in 1996, the organisation has flourished, and we have continued to expand our presence, reach, reputation and the number of people we support. Today we have grown a network of 18 Centres across the UK, online and abroad, and since 1996 have had more than a million visits to our Centres.

There are currently two million people living with or after cancer in the UK: a figure which is steadily rising, and with it, a growing need for Maggie's unique model of cancer support. Every year, 300,000 people across the UK are diagnosed with cancer, people who urgently need practical, emotional and social support to help deal with its impact. We want to provide as much as we can and for as many people as we can – and it is this that drives our ambition to increase the number of Maggie's Centres and the number of people each Centre supports.

In 2015 we supported 200,000 visits to our Centres (including our Online Centre and in Hong Kong which is operated in partnership with Maggie's Hong Kong Foundation) – 45,000 were from first-time visitors to a Centre and there were 14% more visits than the previous year.

2015 was a record year for Maggie's in terms of income. We raised a total of £19m – rising from £15.6m in 2014 – which enabled us to increase expenditure on our programme of support.

Plans to grow our network of Maggie's Centres are progressing well. Three new Centres began construction in 2015, and campaigns are gathering pace for further new Centres, extending the regions where people can access help and support from Maggie's.

We all know people who have received a cancer diagnosis that puts their whole world in a spin. It is a privilege to be able to point those people to Maggie's and the support we provide and which allow them to regain control of their lives. As I go around the various Maggie's centres up and down the country I am struck time and again by the power of the stories I hear about the work that our great staff do. This annual report necessarily focussed on our finances but these are only the means by which we achieve this priceless impact on many lives.

In 2015, Clara Weatherall stepped down from the Board and we are very grateful for her unswerving support of Maggie's Barts. I'm delighted that she continues to support Maggie's work as a Governor of the HK Foundation. I would like to take this opportunity to welcome Jim Martin, who joined our Board in 2015, combining this with his role as Chair of our Manchester Fundraising Board; and Susan Dunn, who joined in 2016 and brings a wealth of financial, technological and NHS experience.

Sadly, 2016 has seen the deaths of two people who have had a great influence on Maggie's, architect Dame Zaha Hadid, who designed Maggie's Fife, and Sir David Landale, who was our first Chairman. Maggie herself asked Sir David to establish a Board and become the first Chairman of Maggie's in 1995, and his help and guidance were invaluable in helping to establish Maggie's in those early years. Dame Zaha's contribution to modern global architecture is immense, and Maggie's is honoured that Maggie's Fife was her first permanent structure in the UK when it opened in 2006. She was also an Honorary Patron of Maggie's and a great supporter. Both of these wonderful people will be greatly missed, but their work for Maggie's will continue to help us support more people through cancer.

I would like to express my gratitude to those who have supported us so generously once again in 2015. We are very grateful to Walk the Walk and People's Post Code Lottery for their significant contribution, helping us to deliver our programme of support and expand our network of Centres. Similarly, we remain extremely thankful to HSBC, whose contribution to our campaigns and continued support is appreciated.

We are hugely grateful to HRH The Duchess of Cornwall, who remains so passionate and committed to Maggie's in her role as our President. Her visits to many of our Centres across the UK have brought great joy to many of the people who use our Centres.

As always, a heartfelt thank you to those supporters who have given their time and money to support Maggie's so very generously. We rely on the continued enthusiasm and passion of these volunteers who cycle, bake, bike, run and so much more to raise vital funds for Maggie's.

My final thanks to Laura Lee, our Chief Executive, to our senior management team who remain committed today to building on our achievements, and of course the professional staff and volunteers within our Centres. They continue to work tirelessly to ensure that everyone who needs us has access to the unique model of practical, emotional and social support that Maggie's provides.

A handwritten signature in black ink, appearing to read 'Ian Marchant', with a stylized flourish at the end.

Ian Marchant

Report from the Chief Executive

2015 marked a year of significant development for Maggie's in which we strengthened our programme of support and progressed the building of several new Maggie's Centres, to the point where we are looking forward to opening our 20th operational Centre in 20 years in 2016. Since the first Maggie's Centre opened in Edinburgh in 1996, Maggie's has been providing practical, emotional and social support for people with cancer and their families and friends, helping them to navigate the complexities of living with cancer, and providing expert support to complement their medical treatment. Delivering a programme of exceptional quality remains our focus as we grow, and I'm pleased to say that in 2015 people continued to tell us that they value our programme of support highly, with 100% of visitors giving a positive rating of their experience.

My report sets out the organisation's key achievements in 2015, and looks ahead to our plans for the upcoming year.

In 2015, we achieved our ambition to make a positive difference to the lives of more people with cancer than ever before, including more people newly diagnosed with cancer. 2015 was also a year of substantial growth activity, as we made strong progress towards the ambition set out in our development plan. We progressed plans for six new Centres, at The Royal Marsden in Surrey, Leeds, Cardiff, Southampton, Liverpool and Cambridge. In 2015 we began construction of three Maggie's Centres, at The Christie Hospital in Manchester, Forth Valley in Scotland and Barts Hospital in London, with Maggie's Manchester and Maggie's Forth Valley both due to open in 2016 and Maggie's Barts to open in 2017. We also agreed to merge with Cancerkin, based at the Royal Free Hospital in London which, in 2016, will extend our reach across London.

Our growth plans are underpinned by a commitment to growing and deepening a professional, evidence-based programme of exceptional quality, ensuring that it is evolving with the changing cancer landscape. During 2015 we undertook three projects to enhance the quality of our programme of support: a review of current research projects and the strategy for the next three years by the research sub-committee of our Professional Advisory Board including an update to our Medical Brief, a review focused on understanding how best to communicate the impact of our work with our healthcare professional colleagues in the NHS and an external review of the delivery of our psychological care and support to build greater consistency across our Centres.

Maggie's growth ambitions are driven by the ever-growing need for cancer support. Despite many breakthroughs in cancer treatment and care during the last two decades, almost half of people in the UK will have cancer in their lifetime by 2020. The majority of these people need practical, emotional and social support to complement the excellent medical treatment the NHS provides, and this is what remains in the forefront of our minds as we progress the plans set out in Maggie's development plan: to double the number of Maggie's Centres from 15 to 30 and to treble the number of new people we support each year to 80,000. In the UK, this means that we will have Maggie's Centres at major cancer hospitals that are accessible to 50% of people in the UK – 48% coverage in England, 100% in Scotland and 77% in Wales.

In 2016, growing the number of people with cancer supported by Maggie's each year is our main objective. To achieve this, we recognise the importance of building greater awareness and understanding of Maggie's so that more people affected by cancer know that our Centres are available for them at the earliest point in their cancer experience, and so that more people support us to grow each year.

Internationally we will continue work in partnership with organisations in a number of different countries to share our expertise and experience to establish Centres abroad. Our Online Centre remains key to offering our programme of support digitally, thereby extending our reach still further.

Today we are dedicated to building upon our achievements of the past 19 years: continuing to provide support of the highest quality for anyone and everyone affected by cancer. But none of the work we do would be possible without the much-valued support of our staff, volunteers and fundraisers.

I am continually inspired by the dedication and passion of these supporters who give their time, expertise and money to support Maggie's so generously and with such enthusiasm. We are indebted to all of those people that have helped to make 2015 an extraordinary year for Maggie's and who have contributed to our past 19 years. I would like to say a heartfelt thank you to all those who continue to make our work possible.

A handwritten signature in black ink, appearing to read 'Laura Lee', with a stylized, cursive script.

Laura Lee

Directors' Report

Introduction

The Directors are pleased to present their report and financial statements for the year ended 31 December 2015.

Maggie Keswick Jencks Cancer Caring Centres Trust (referred to as Maggie's or the charity) is constituted as a company limited by guarantee, registration number SC162451. Maggie's is registered with the Office of the Scottish Charity Regulator under registration number SC024414.

The Directors of the charity are its trustees for the purpose of charity law but throughout the report are collectively referred to as Directors. Details of the Directors and Officers during the year are set out at the end of the Strategic Report.

For the purposes of meeting our reporting obligations, the Welcome from the Chairman of the Board of Directors and the Report from the Chief Executive form part of this Directors' Report.

Governance, structure and management

Governing documents

Maggie's is a charitable company limited by guarantee, incorporated and registered as a charity on 3 January 1996. The company was formed under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Objectives

The objectives of the charity as set out in its Memorandum of Association are:

- (a) To initiate patient-orientated Centres where persons with cancer are actively encouraged to participate in their treatment.
- (b) To promote, establish and administer both in the United Kingdom and elsewhere, Centres for the support and care of persons with cancer or cancer related illnesses.
- (c) To support cancer patients at all stages by the provision of information, practical, psychological and emotional support.
- (d) To support the families and carers of people with a cancer diagnosis by the provision of information, practical, psychological and emotional support.
- (e) To initiate and finance research into the care and psychological and physical well-being of cancer patients.
- (f) To initiate training programmes for individuals concerned with the care and psychological and physical well-being of cancer patients.
- (g) To publish and distribute the results of research into the care and psychological and physical well-being of cancer patients.

Maggie's provides support for anyone affected by cancer in an informal, non-institutional environment. The Centres are located in the grounds of specialist cancer hospitals, allowing people with cancer and their family and friends to drop in at any point for a cup of tea and a chat, a browse of the library, the chance to explore our programme of support or just somewhere quiet to sit and relax. Our programme of support is for people affected by every type and stage of cancer. Our aim is to enable people to manage the physical and emotional impact of living with, through and beyond a cancer diagnosis and to make their own contribution to their treatment and recovery. Our evidence-based programme is provided by a team of cancer specialists and can transform the way that people live with cancer. Under one roof people can access help with information, benefits and welfare support, psychological support, (both individually and in groups), courses and stress reduction techniques. There is no need to make an appointment or be referred – everything we offer is free of charge.

Directors' Report (continued)

Board of Directors

The Board of Directors is responsible for setting the overall strategy and for the governance of Maggie's Centres in line with a written Directors' handbook. The Board meets every other month. Matters reserved specifically for Board decision include the following:

- Strategy
- Annual revenue and capital budgets
- Financial reporting and controls
- Structure and controls
- Board membership and other appointments
- Remuneration policy
- Corporate governance
- Key organisational policies
- Major financial transactions
- Procedures for Board decisions between Board meetings

There are also four active sub-committees of the Board, the members of which include Directors and external advisers, where appropriate. The Chairman of each sub-committee reports to the Board. The Terms of Reference for the sub-committees are summarised below. The members of the sub-committees are set out at the end of the Strategic Report.

Audit Committee

The Committee is responsible for monitoring and reviewing the policies and processes in place for the identification and management of risk, the scope and effectiveness of the external audit and the appointment of an external auditor.

Finance Committee

The Committee is responsible for reviewing the annual budget and for monitoring the performance of the organisation against its annual budget and business plan.

Nominations Committee

The Committee is responsible for identifying and nominating candidates for election to the Board and its sub-committees. It is also responsible for monitoring Directors' induction, support and development.

Remuneration Committee

The Committee reviews and determines Maggie's policy on remuneration and advises the Board on the specific remuneration packages of all employees of Maggie's, and in particular the Executive management.

Roles of Chairman and Chief Executive

The Chairman is responsible for leadership, operation and governance of the Board and ensuring it operates effectively. The Chief Executive is appointed by the Board to manage the day-to-day operations of the charity and the implementation of the strategic plan and policies as agreed by the Board.

Appointment of Directors

Under the Articles of Association, the members of the Board of Directors are elected to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed 14. A Director so appointed shall hold office as a co-opted Director only until the next Annual General Meeting.

Under the requirements of the Articles of Association, one third of Directors are required to retire by rotation each year, and, being eligible may be re-elected. Ian Marchant and George Robinson retire by rotation in 2016 and, being eligible, offer themselves for re-election. Geoffrey Ridley is retiring and not seeking re-election. Biographies of Directors can be found on the charity's website.

Directors' Report (continued)

Directors' induction and training

On joining, Directors undergo an induction programme suitable to their needs with training being provided during the year where necessary. Directors receive a Director's handbook with details of governance and policies reserved for Board decision. Induction also includes a tour of an operational centre and meeting key staff within the charity.

Advisory Committees

In addition to the sub-committees there are a number of advisory committees to the Executive. These are:

- Professional Advisory Board – responsible for advice and support to the Executive on the professional programme of cancer support provided by Maggie's. In so doing it assists the charity in meeting its goals and objectives.
- Maggie's Art Group – advises the charity on all matters relating to art including the existing collection and possible additions through loan, gift or purchase. Art is used to enhance and complement the design and environment of Maggie's Centres.
- Business Advisory Group – members of this Group have skills and expertise relevant to the continuing growth of the charity and may be asked to advise and assist Maggie's Board of Directors and Executive management with the development and delivery of the charity's organisational strategy and business plans.

Key Management Personnel and remuneration policy

The directors consider the board of directors, who are also the trustees, the Chief Executive, Chief Operating Officer and Finance Director comprise the key management personnel of the charity as they are in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director, other than the Chief Executive, received remuneration. Details of expenses reimbursed to Directors are shown in note 7.

The Board, on the recommendation of its Remuneration Committee, determines the remuneration of all staff at Maggie's including the key management personnel. Remuneration at Maggie's is based on the NHS Agenda for Change pay bands. In 2015 key management remuneration was determined by reference to charity benchmark and healthcare benchmarks. The Committee's recommendation also took into account the requirements to deliver the strategy and ambitions of the organisation.

Reserves, Investment and Taxation

Reserves policy

General reserves are funds that are readily realisable and exclude funds whose use is restricted or designated for particular purposes. It also excludes funds invested in property and other fixed assets that are used for the day-to-day running of the charity.

The charity maintains a level of reserves so that it can continue its operations in the event that an unforeseen shortfall in income occurs or costs rise unexpectedly. It is also prudent for an amount to be set aside in order that we can properly maintain our buildings. Each year the Directors review the amount of money that is set aside in the general reserve fund.

At the end of 2015 the general reserve fund stood at £2.75 million, equivalent to 3 months of 2016 budgeted expenditure excluding direct fundraising event costs. In response to the expansion of the charity the Directors have agreed a budget for 2016 delivering a surplus to increase the general reserve fund.

In addition Maggie's has two designated funds; the Capital Asset Fund and the New Centres Development Fund. The Capital Asset Fund, representing the net book value of tangible fixed assets not held in restricted funds, totals £6.2 million. The New Centres Development Fund totals £1.0 million, and consists of money received and designated to the construction of new Centres outlined in our strategic plan.

Directors' Report (continued)

The total funds at the end of 2015 were £42.6 million (2014: £36.0 million) of which £33.0 million were held as fixed assets, principally our centres, and £9.6 million were net current assets, of which £8.6 million was held in cash.

Investment policy

During the year the Directors reviewed the investment policy and agreed that surplus funds should continue to be held in fixed term deposit accounts and diversified across more than one bank and an instant access liquidity fund. During the year income from deposits and accounts amounted to £58,000 (2014: £41,000).

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the group and the incoming resources and application of resources, including the net income and expenditure, of the group for the year. In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in operation.

The Directors are responsible for keeping adequate 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors 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 Directors' Report has been approved by the Board of Directors and is signed on their behalf:


Ian Marchant
Chairman

17th May 2016

Strategic Report

The Directors are pleased to present their strategic report for the year ended 31 December 2015.

Review and Analysis of Activities

The charity continued its principal activities as set out in the Directors' Report throughout the current year.

Achievements and Performance

Set out below are the key achievements of 2015:

Programme Activity

In 2015, we achieved our ambitions to make a positive difference to the lives of more people with cancer than ever before:

- Over 45,000 people visited a Maggie's Centre for the first time (2014: 40,000).
- In total, our Centres received over 200,000 visits (2014: 160,000) from people with cancer and their family and friends.
- More than 99% of visitors gave a positive rating (good or excellent) of their experience at Maggie's and 92% stated Maggie's was meeting their needs (completely or mostly) (2015 audit).

Generating Income

To support all of this work, we raised £9.9million (2014: £10.0million) of income entirely from voluntary donations. We also received over £9million income towards our campaigns for new Centres in the UK.

Future Growth

As well as increasing the support provided at our current Centres:

- we started the construction of two new Centres at The Christie in Manchester and in Forth Valley that will open in 2016;
- we agreed to merge with Cancerkin to create a Maggie's Centre at the Royal Free Hospital in North London. Cancerkin is an independent charity established in 1987 providing "treatment, information, supportive care and rehabilitation for patients with breast cancer and support for those close to them" at the Royal Free Hospital in Hampstead, London;
- we obtained Board approval to build two new Centres in Oldham and at St Bartholomew's (Barts) in the City of London that will open in 2016 and 2017 respectively; and
- we progressed plans for eight new Centres at The Royal Marsden in Surrey, Leeds, Cardiff, Southampton, Liverpool and Cambridge.

Financial Review

2015 was another strong year for Maggie's. We increased total income to £19.1million (2014: £15.6 million). Income for our capital campaigns increased to just over £9.1million (2014: £5.5 million) and income to fund our normal operational activities was just under £9.9 million (2014: £10.0 million).

During the year our expenditure increased to £12.5m from £11.4m. Expenditure on our programme of support within the Centres increased 10% to £7.8 million (2014: £7.1 million) increasing the proportion of our cost spent on charitable activities to 63% (2014: 63%). As we continue to develop the support we provide and build new Centres that reach more people with cancer, our charitable expenditure is expected to increase as an overall proportion.

Strategic Report (continued)

As part of our plan for 2015 fundraising costs for the year also increased by 10% to £4.6 million (2014: £4.2 million) (including £0.9 million cost of generating income from fundraising events). In line with our strategy to improve our fundraising rate of return, our overall fundraising cost ratio fell to 24% (2014: 27%). The Board will continue to review the investment in fundraising to ensure that the rate of return achieved is in line with targets and the future income requirements of the charity.

Incoming resources

Total income raised rose by £3.5 million (23%) to £19.1million.

Income for normal operating activities reduced £200k to £9.9 million. This was due primarily to the decommissioning of the Monster Bike and Hike which had generated over £500k in previous years and a reduction in legacy income following a significant legacy income year in 2014. However this was in part offset by increases in centre fundraising activity as part of our planned strategy to increase income in and around our centres.

£9.1million was raised in the year for our capital purposes. £3.7m of this was for the campaigns at St Bartholomew's Hospital, £3.1million at the Christie in Manchester, £780,000 at Forth Valley. A further £1.55 million towards our planned centres in Cardiff, Southampton, Leeds, Oldham and at the Royal Marsden Hospital and a planned extension at our Edinburgh Centre.

At the year-end, there were outstanding pledges totalling £17.5 million; of this £3.5 million is for operating expenditure and £14.0 million towards new Centre campaigns. This represents a significant achievement for the organisation and has allowed us to move forward with the construction in 2015 of new Centres in Manchester, Forth Valley, Oldham, and at St Bartholomew's Hospital in London.

Expenditure

Expenditure increased by £1.1million to £12.5 million (2014: £11.4 million) of which £1.5million was associated with executing our capital campaigns, £9.9 million was associated with normal operating activities and £1.1million was depreciation. Capital expenditure in the year was £5.7million (2014: £3.8 million). We therefore achieved a break-even position in the year on our normal operating activities. (2014: £1m surplus)

Breakdown of charitable expenditure:

	2015	2014
	£'000	£'000
Support, advice and information	7,790	7,144
Building centres	5,710	3,843
	-----	-----
Total	13,500	10,987
	=====	=====

Expenditure on support, advice and information increased by 9% to £7.8 million, including investment in resource at our Centres to meet increased demand for our programme of support.

Capital expenditure increased in the year to £5.7 million as three building projects were progressed. A further £4.9million was spent on Centres under construction at St Bartholomew's, London, The Christie in Manchester and Forth Valley. A further £580,000 was spent on planned new Centres in Oldham, Cardiff, Southampton, Leeds and The Royal Marsden Hospital, London. £230,000 was spent on refurbishment and additions to furniture, equipment and artwork for operational Centres and costs for a planned extension to our Edinburgh Centre.

Strategic Report (continued)

At the end of the year we had capital commitments of £1.5million representing the costs for work on the new Centres in Manchester and Forth Valley. Funds have been either received or are pledged to meet these commitments.

The cost of generating voluntary income and running fundraising events increased by 10% to £4.6 million (2014: £4.2 million). The increase in cost relates to an increase in fundraising resource at Centres opened during 2014 and required to achieve the 23% increase in income.

Governance costs of £25,000 include the cost of audit, legal and statutory compliance.

Net incoming resources for the year

The net incoming resources in the year were £6.6 million (2014: £4.2 million). Restricted net incoming resources were £6.3 million, which predominantly comprise income donated specifically for capital purposes that will be spent in future years. Unrestricted net incoming resources were £355,000. There was a surplus of £1,000 in our normal operating activities after excluding depreciation of £1.1 million. As a growing organisation the Board are committed to generating a cash surplus to ensure our free cash reserves are maintained in line with our reserves policy in line with that growth and our 2016 budget reflects this.

Plans for Future Periods

Growing the number of people with cancer supported by Maggie's each year is our main objective. To achieve this, we recognise the importance of building greater awareness and understanding of Maggie's so that more people affected by cancer know that our Centres are available for them at the earliest point in their cancer experience, and so that more people support us to grow each year. Throughout this plan, we describe the actions we are going to take to build awareness and understanding, alongside the steps that we will take to meet our other key targets.

Our key targets for 2016 are:

1. To provide support to at least 55,000 people visiting a Maggie's Centre for the first time.
2. To receive over 240,000 visits to our Centres from people with cancer and their family and friends.
3. To deliver a high quality experience for people visiting a Maggie's Centre with overall satisfaction of at least 98%, and with at least 90% stating that their cancer needs have been met.
4. To generate a significant increase in revenue income to support and develop our day-to-day activities.
5. To raise over £5m in new cash and pledges for building new Centres and extensions.
6. To deliver a free cash surplus of 10% of revenue income for future investment and to consolidate our reserves.

Principal Risks and Uncertainties

The Audit Committee has delegated authority from the Directors to ensure that a review of the major risks to which the charity is exposed is conducted and that systems have been established to mitigate those risks. The Directors receive a report from the Audit Committee following their review.

Maggie's has a comprehensive risk management process in place to identify and address the major financial, operational, governance, reputational and regulatory risks which might impact on its ability to meet its objectives. Maggie's has an organisational risk register which records the major risks, the controls in place to mitigate those risks and actions required, if appropriate. Executive management reviews and updates the register on a monthly basis.

Strategic Report (continued)

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure quality of delivery for all operational aspects of the services provided by all Maggie's Centres. A Finance Procedures Manual has been adopted as part of the charity's policies and procedures to ensure that financial control procedures are applied uniformly across the charity.

Maggie's has identified the following key risks:

- the charity's dependence on voluntary income;
- the management of major building projects which happen concurrently; and
- the effective delivery of a quality service to Centre users during the continuing period of growth.

These risks are subject to ongoing monitoring by executive management. Maggie's also has a strategic business plan with aims, objectives and key performance indicators that are monitored monthly by the executive management and also by the Board to ensure the effective delivery of the plan and the management of risk.

The Strategic Report has been approved by the Board of Directors and is signed on their behalf:



Ian Marchant
Chairman

17th May 2016

President, Patrons, Directors and Officers

Founders

Maggie Keswick Jencks and Charles Jencks

President

HRH The Duchess of Cornwall

Honorary Patrons

Sarah Brown

Frank Gehry

Lord Rogers of Riverside CH

Dame Zaha Hadid (deceased March 2016)

Sir David Landale KCVO (deceased March 2016)

Jon Snow

Sam Taylor-Johnson

Kirsty Wark

Janet Ellis

Mary McCartney

Directors

Nick Claydon (appointed 13 January 2015)

Alan Eisner (Deputy Chairman)

Dr Charles Jencks

Laura Lee

Professor Robert Leonard

Ian Marchant (Chairman)

James Martin (appointed 21 May 2015)

Geoffrey Ridley

George Robinson

Clara Weatherall (retired 17 November 2015)

Susan Dunn (appointed 20 January 2016)

Company Secretary

Allison Wood

Audit Committee

George Robinson (Chairman)

Alan Eisner

Susan Dunn (appointed 20 January 2016)

Finance Committee

Ian Marchant (Chairman)

Alan Eisner

James Martin

Laura Lee

Allison Wood

Nominations Committee

Ian Marchant (Chairman)

Alan Eisner

Laura Lee

Geoffrey Ridley

Remuneration Committee

Alan Eisner (Chairman)

Professor Robert Leonard

Ian Marchant

Executive Officers

Sarah Beard, Business Development Director

Ben Cartledge, Director of Strategy & Planning

Laura Lee, Chief Executive

Sharon O'Loan, Development and Fundraising
Director

Katie Tait, PR Director

Ann-Louise Ward, Chief Operating Officer

Allison Wood, Finance Director

Website

www.maggiescentres.org

Registered Office

The Stables

Western General Hospital

Crewe Road South

Edinburgh EH4 2XU

Glasgow Office

The Gatehouse

10 Dumbarton Road

Glasgow G11 6PA

London Office

20 St James Street

London W6 9RW

Auditor

Chiene + Tait LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh EH3 6NL

Independent Auditor's Report

To the members of The Maggie Keswick Jencks Cancer Caring Centres Trust (Limited by Guarantee)

We have audited the financial statements of The Maggie Keswick Jencks Cancer Caring Centres Trust for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's Directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Directors 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, its members as a body and its Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors Responsibilities Statement set out on page 8, the Directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2015, and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with 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).

Independent Auditor's Report (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The parent charitable company has not kept proper and adequate accounting periods or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's 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.



Jeremy Harper CA
(Senior Statutory Auditor)
For and on behalf of

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

01 August 2016

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated statement of financial activities for the year ended 31 December 2015

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Funds 2015 £'000	Funds 2014 £'000
Income from:						
Donations and legacies	4	7,979	9,437	-	17,416	13,066
Other trading activities		1,466	134	-	1,600	2,447
Investment income		56	-	2	58	41
Total income		9,501	9,571	2	19,074	15,554
Expenditure						
Raising funds						
Raising voluntary income	5	2,553	1,199	-	3,752	3,050
Fundraising events	5	794	98	-	892	1,171
Charitable activities*						
Support, advice and information	5	5,801	2,014	-	7,815	7,172
Total expenditure		9,148	3,311	-	12,459	11,393
Net income and net movement in funds before transfers		353	6,260	2	6,615	4,161
Transfers between funds		2	-	(2)	-	-
Net income and net movement in funds for the year		355	6,260	-	6,615	4,161
Reconciliation of funds						
Total funds at 1 January 2015		9,666	26,081	250	35,997	31,836
Total funds at 31 December 2015	13	10,021	32,341	250	42,612	35,997

Movements in funds are disclosed in note 13 to the financial statements.

A statement of recognised gains and losses is not shown as all gains and losses are recognised in the statement of financial activities.

All activities are classed as continuing.

*The cost of charitable activities does not include £5.710 million (2014: £3.843 million) of capital expenditure on building new Centres as shown in note 9.

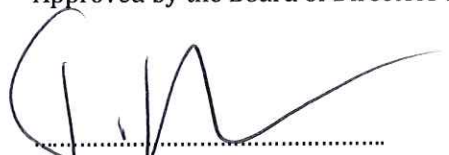
*A split between operating and campaign income and expenditure is shown in note 22.

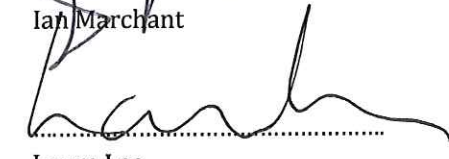
The notes starting on page 20 form part of these financial statements

Consolidated balance sheet as at 31 December 2015

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Tangible assets	9		32,969		28,347
Current assets					
Debtors	10	2,176		1,389	
Cash at bank		8,601		7,430	
		-----		-----	
		10,777		8,819	
		-----		-----	
Current liabilities					
Creditors	11	1,134		1,169	
		-----		-----	
Net current assets			9,643		7,650
			-----		-----
Total assets less current liabilities			42,612		35,997
			=====		=====
Funds					
Endowment fund	13		250		250
Restricted funds	13		32,341		26,081
Unrestricted funds:					
Designated capital asset fund	13		6,227		6,142
Designated new Centres development fund	13		1,040		767
General fund	13		2,754		2,757
			-----		-----
			42,612		35,997
			=====		=====

Approved by the Board of Directors and signed on its behalf by:


.....
Ian Marchant


.....
Laura Lee

Director

Director

Date: 17th May 2016

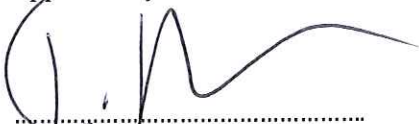
Company Number: SC162451

The notes starting on page 20 form part of these financial statements

Company Balance Sheet as at 31 December 2015

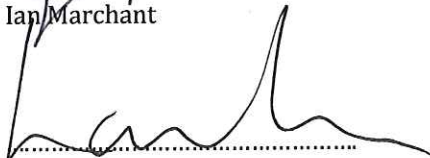
	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Tangible assets	9		32,969		28,347
Current assets					
Debtors	10	2,042		1,351	
Cash at bank		8,598		7,417	
		-----		-----	
		10,640		8,768	
		-----		-----	
Current liabilities					
Creditors	11	997		1,118	
		-----		-----	
Net current assets			9,643		7,650
			-----		-----
Total assets less current liabilities			42,612		35,997
			=====		=====
Funds					
Endowment Fund	13		250		250
Restricted Funds	13		32,341		26,081
Unrestricted Funds:					
Designated capital asset fund	13		6,227		6,142
Designated new Centres development fund	13		1,040		767
General fund	13		2,754		2,757
			-----		-----
			42,612		35,997
			=====		=====

Approved by the Board of Directors and signed on its behalf by:



.....
Ian Marchant

Director



.....
Laura Lee

Director

Date: 17th May 2016

Company Number: SC162451

The notes starting on page 20 form part of these financial statements

Consolidated Statement of Cash flows for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Cash provided by operating activities	21	6,823	6,218
Cash flows from investing activities			
Interest received		58	41
Purchase of tangible fixed assets		(5,710)	(3,516)
Cash used in investing activities		(5,652)	(3,475)
Increase in cash and cash equivalents		1,171	2,743
Cash and cash equivalents at the beginning of the year		7,430	4,687
Cash and cash equivalents at the end of the year		8,601	7,430

Statement of Cash flows for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Cash provided by operating activities	21	6,833	6,237
Cash flows from investing activities			
Interest received		58	41
Purchase of tangible fixed assets		(5,710)	(3,516)
Cash used in investing activities		(5,652)	(3,475)
Increase in cash and cash equivalents		1,181	2,762
Cash and cash equivalents at the beginning of the year		7,417	4,655
Cash and cash equivalents at the end of the year		8,598	7,417

The notes starting on page 20 form part of these financial statements

Notes to the financial statements for the year ended 31 December 2015

1. Company information

The Maggie Keswick Jencks Cancer Caring Centres Trust is a company limited by guarantee incorporated in Scotland with registered company number SC162451. The registered office is The Stables, Western General Hospital, Crewe Road South, Edinburgh, EH4 2XU. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

2. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to 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) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Maggie Keswick Jencks Cancer Caring Centres Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Transition from and Reconciliation with previous Generally Accepted Accounting Practice

The date of transition is 1 January 2014, with the financial statements for the year ended 31 December 2014 being the last prepared under the old UK GAAP.

The transition to FRS102 has not resulted in any significant changes to accounting policies and has not resulted in any changes to the comparative figures from the prior year financial statements.

In carrying out the transition to FRS102, the company has not applied any of the optional exemptions as permitted by Section 35 "Transition to this FRS".

Consolidation

These consolidated financial statements comprise the financial statements of Maggie Keswick Jencks Cancer Caring Centres Trust and Maggie's Trading Limited. The dormant charities noted in note 15 have not been consolidated on the basis of materiality.

Going concern

These financial statements have been prepared on a going concern basis. The Directors have assessed the Charitable Company's ability to continue as a going concern and have reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Notes to the financial statements for the year ended 31 December 2015

2. Accounting policies

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for carrying amounts of tangible assets.

Donations and grants

Donations and grants are recognised in the year in which they are received or receivable, whichever is the earlier, unless they relate to a future time period in which case they are deferred.

Legacies

Legacies are credited to the Statement of Financial Activities in the year in which they are receivable, which is when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably.

Bank interest

Interest on deposits is dealt with on an accruals basis.

Resources expended

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Other overheads not directly related to a particular activity are apportioned on the basis of staff numbers.

Costs of raising funds comprise the salaries, direct expenditure and overheads for community and other fundraising except for event fundraising. Direct costs of fundraising events include the salaries of the events team, and the logistics and costs of the events, and attributable overheads.

The costs of charitable activities include the salaries of staff who provide the services and workshop costs and the costs of running the Centres. Governance costs are the costs of the Board meetings and the external audit.

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Tenants improvements	-	between 5 years and the lease term
Freehold land and buildings	-	50 years
Furniture and fittings	-	4 years
Office equipment and computer software	-	3 years

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

Depreciation is not charged on tenant improvements and freehold land and buildings for Centres while still in the course of construction.

Fund accounting

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are unrestricted funds earmarked by the Directors for particular purposes.

Notes to the financial statements for the year ended 31 December 2015

2. Accounting policies

Restricted funds

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure that meets these criteria is charged to the fund.

Endowment funds

Endowment funds are donated funds to be invested to provide annual income to be used for the purposes of running Maggie's Cancer Caring Centres.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the company 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The company 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

The charity operates a group personal pension arrangement on a defined contribution basis for the majority of staff. Pension contributions are paid in accordance with the rules of the scheme.

Certain employees are members of the National Health Service Pension Scheme under a Direction arrangement whereby membership extends to non-NHS bodies engaged in the provision of health services. This is a defined benefit scheme administered in Scotland by the Scottish Public Pensions Agency and in England and Wales by the NHS Pensions Agency. The scheme provides benefits on final pensionable pay. Under Financial Reporting Standard 102 this is a multi-employer scheme and the contributions have been accounted for as if it were a defined contribution scheme as the assets of the scheme are not ring fenced for each employer.

Operating lease commitments

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

Irrecoverable VAT

The charity is not registered for VAT and accordingly irrecoverable VAT is charged against the category of resources expended to which it relates.

Notes to the financial statements for the year ended 31 December 2015

3. Prior year consolidated statement of financial activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Funds 2014 £'000
Income from:				
Donations and legacies	6,793	6,273	-	13,066
Other trading activities	2,316	131	-	2,447
Investment income	39	-	2	41
Total income	9,148	6,404	2	15,554
Expenditure				
Raising funds				
Raising voluntary income	1,878	1,172	-	3,050
Fundraising events	1,031	140	-	1,171
Charitable activities				
Support, advice and information	5,040	2,132	-	7,172
Total expenditure	7,949	3,444	-	11,393
Net income and net movement in funds before transfers	1,199	2,960	2	4,161
Transfers between funds	35	(33)	(2)	-
Net income and net movement in funds for the year	1,234	2,927	-	4,161

Notes to the financial statements for the year ended 31 December 2015

4. Incoming resources from generated funds

	Unrestricted £'000	Restricted £'000	2015 £'000	2014 £'000
Charitable trusts	835	1,543	2,378	3,264
Statutory and Big Lottery Fund	63	368	431	540
Local community fundraising	2,736	46	2,782	2,371
Companies	1,094	3,094	4,188	737
Individuals	1,957	4,337	6,294	4,529
Legacies	672	7	679	1,007
People's Postcode Lottery	550	25	575	550
Other	72	17	89	68
	-----	-----	-----	-----
	7,979	9,437	17,416	13,066
	=====	=====	=====	=====

5. Total resources expended

	Costs of Generating Voluntary Income £'000	Cost of Fund- raising Events £'000	Support, Advice and Information £'000	Governance Costs £'000	2015 £'000	2014 £'000
Staff & related costs	2,891	208	5,044	-	8,143	7,171
Programme & Centre						
Running costs	-	-	379	-	379	454
Fundraising costs	465	611	-	-	1,076	1,193
Depreciation	25	7	1,056	-	1,088	1,021
Other costs	141	43	371	25	580	534
Premises and running costs	230	23	940	-	1,193	1,020
	-----	-----	-----	-----	-----	-----
	3,752	892	7,790	25	12,459	11,393
	=====	=====	=====	=====	=====	=====

6. Net income for the year

	2015 £'000	2014 £'000
This is stated after charging/(crediting):		
Depreciation	1,088	1,021
Directors' remuneration	151	143
Auditor's remuneration – audit services including VAT	22	23
Auditor's remuneration – non-audit services including VAT	15	15

Employer's pension contributions of £21,007 were paid on behalf of the Chief Executive (2014: £18,000).

7. Staff costs

	2015 £'000	2014 £'000
Salaries	6,526	5,644
Social security costs	626	546
Pension contributions	519	460
	-----	-----
	7,671	6,650
	=====	=====

Notes to the financial statements for the year ended 31 December 2015

7. Staff costs (continued)

The average number of employees during the period was 172 (2014: 162). The split of the 172 employees is as follows:

	2015 Number	2014 Number
Programme	87	78
Fundraising	60	59
Administration	9	9
Communications	16	16
	-----	-----
Total	172	162
	=====	=====

In addition we use a number of paid professional 'sessional' staff to deliver many of the courses run in our Centres. There were 98 sessional staff delivering these courses across the Centres during the year.

The key management personnel of the charitable company comprise the Directors, Chief Executive, Chief Operating Officer and Finance Director. The total employee benefits of the key management personnel of the charitable company during the year were £351,426 (2014: £318,037).

Laura Lee, who is a Director, is remunerated as the charity's Chief Executive. The Articles of Association include a clause permitting remuneration of Directors. Emoluments, including benefits in kind, are within the range of £150,000 to £159,999, not including retirement benefits accruing under the National Health Service arrangement.

No other Director received any remuneration. Directors are paid expenses for attending meetings and duties directly related to their role as Directors. In 2015 two (2014: two) Directors were paid total expenses of £1,612 (2014: £2,549) for travel, subsistence and reimbursement of items purchased on behalf of Maggie's Centres. The funds of the charity have been used to pay premiums for Directors and Officers insurance amounting to £985 for the year to 31 December 2015 (2014: £1,200).

No members of staff were seconded from another organisation (2014: one member of staff was seconded). The number of other employees whose emoluments as defined for tax purposes amounted to over £60,000 in the year was as follows:

	2015 Number	2014 Number
£60,000 - £69,999	7	7
£70,000 - £79,999	2	2
£90,000 - £99,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	1	1
£120,000 - £129,999	2	1
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-
	=====	=====

Notes to the financial statements for the year ended 31 December 2015

7. Staff costs (continued)

These employees have retirement benefits accruing under a defined contribution scheme, and NHS Superannuation scheme. Contributions totalling £117,832 were made in the year (2014: £107,728).

	2015 Number	2014 Number
Number of employees with retirement benefits accruing under:-		
Defined contribution schemes	130	110
	=====	=====
NHS Superannuation scheme	44	44
	=====	=====

8. Taxation

The company is a registered charity and enjoys the tax advantages commensurate with that status.

9. Fixed assets – group and company

	Freehold Land & Buildings £'000	Tenants Improve- ments £'000	Furniture & Fittings £'000	Office Equipment & Computer Software £'000	Total £'000
Cost					
At 1 January 2015	2,160	28,900	1,199	879	33,138
Additions	-	5,617	87	6	5,710
	-----	-----	-----	-----	-----
At 31 December 2015	2,160	34,517	1,286	885	38,848
	-----	-----	-----	-----	-----
Depreciation					
At 1 January 2015	172	3,030	859	730	4,791
Charge for year	43	787	167	91	1,088
	-----	-----	-----	-----	-----
At 31 December 2015	215	3,817	1,026	821	5,879
	-----	-----	-----	-----	-----
Net book value					
At 31 December 2015	1,945	30,700	260	64	32,969
	=====	=====	=====	=====	=====
At 31 December 2014	1,988	25,870	340	149	28,347
	=====	=====	=====	=====	=====

10. Debtors

	Group 2015 £'000	2014 £'000	Company 2015 £'000	2014 £'000
Other debtors and prepayments	2,176	1,389	2,042	1,351
	=====	=====	=====	=====

Debtors include accrued legacy income, grants, gift aid and bank interest receivable at 31 December 2015.

Notes to the financial statements for the year ended 31 December 2015

11. Creditors

	Group 2015 £'000	2014 £'000	Company 2015 £'000	2014 £'000
Amounts due to subsidiary undertaking	-	-	55	77
Other taxes and social security costs	253	234	253	234
Other creditors	705	735	514	608
Accruals	23	23	22	22
Deferred income	153	177	153	177
	-----	-----	-----	-----
	1,134	1,169	997	1,118
	=====	=====	=====	=====

Other creditors include amounts outstanding including retentions for construction work completed during the year and other trade creditors.

	£'000
Deferred income comprises:	
Brought forward	177
Released to incoming resources during the year	(57)
Deferred in year	33

Carried forward	153
	=====

12. Analysis of net assets between funds

	Endowment Funds £'000	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
Tangible fixed assets	-	26,742	6,227	-	32,969
Net current assets	250	5,599	1,040	2,754	9,643
	-----	-----	-----	-----	-----
	250	32,341	7,267	2,754	42,612
	=====	=====	=====	=====	=====

Notes to the financial statements for the year ended 31 December 2015

13. Movement in funds

		At 1 January 2015 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 December 2015 £'000
Endowment fund:						
Blakenham fund	(i)	250	2	-	(2)	250
Restricted funds:						
Centres capital funds	(ii)	25,686	8,634	2,243	-	32,077
Restricted revenue funds:	(iii)					
Centre programme funds		288	562	731	-	119
Big Lottery Fund for Maggie's Newcastle		20	105	94	-	31
Big Lottery Fund for Maggie's Swansea		4	56	42	-	18
Big Lottery Fund for Maggie's Liverpool		73	147	133	-	87
Big Lottery Fund for Maggie's Nottingham		-	67	67	-	-
Fundraising and publicity funds		10	-	1	-	9
Total restricted funds		26,081	9,571	3,311	-	32,341
Unrestricted funds:						
Designated funds:						
Capital asset fund	(iv)	6,142	-	145	230	6,227
New Centres Development Fund	(v)	767	556	191	(92)	1,040
General fund	(vi)	2,757	8,945	8,812	(136)	2,754
Total unrestricted funds		9,666	9,501	9,148	2	10,021
Total funds		35,997	19,074	12,459	-	42,612

The above funds carried forward at 31 December 2015 represent:

- (i) **Blakenham fund** - A donation of £250,000 to be invested to provide annual income to be used for the purposes of running Maggie's Cancer Caring Centres. The income for the year, £2,000, has been transferred to the general fund.
- (ii) **Centres capital funds** - restricted grants and donations received which have been used to build operational Maggie's Centres and funds held for the construction of new Centres. The expenditure relates to depreciation for operational Centres and direct fundraising and construction management costs for new Centres.
- (iii) **Restricted revenue funds** - grants and donations given for specific Centre programmes, fundraising or publicity. Details are given in respect of restricted funds for the Big Lottery Fund where separate disclosure is required by them.
- (iv) **Capital asset fund** - the net book value of general funds invested in tangible fixed assets, other than those covered by restricted funds (see (ii) above) and which are not, by the nature of fixed assets, available for use for other purposes. Expenditure represents the depreciation charge of those assets for the year. The transfer represents capital expenditure on new Centres where funds were held in the New Centres Development fund, or were funded by the general funds and capital expenditure on operational Centres.

Notes to the financial statements for the year ended 31 December 2015

13. Movement in funds (continued)

- (v) **New Centres development fund** – the amount that has been set aside for specified Centre construction in addition to the restricted funds (see (ii) above). Income represents unrestricted amounts raised in the geographic location of new Centres being developed and has been designated to those Centres. Expenditure is the related costs of fundraising. The transfer represents £92,000 of assets purchased from the fund.
- (vi) **General fund** – this comprises the amount agreed by the board to be set aside to meet possible shortfalls in funding and unexpected increases in costs. The transfer represents £2,000 income from the Endowment fund, £138,000 capital expenditure on operational Centres transferred into the Capital Asset fund.

14. Charity statement of financial activities

	Total Funds 2015 £'000	Total Funds 2014 £'000
Income from:		
Donations and legacies	17,416	13,066
Other trading activities	1,600	2,447
Investment income	58	41
	-----	-----
Total income	19,074	15,554
	=====	=====
Expenditure		
Raising funds	4,644	4,221
Charitable activities*	7,815	7,172
	-----	-----
Total expenditure	12,459	11,393
	=====	=====
Net income and net movement in funds for the year	6,615	4,161
Total funds at 1 January 2015	35,997	31,836
	-----	-----
Total funds at 31 December 2015	42,612	35,997
	=====	=====

*The cost of charitable activities does not include £5.508 million (2014: £3.843 million) of capital expenditure on building new Centres as shown in note 9.

Notes to the financial statements for the year ended 31 December 2015

15. Subsidiary Companies

The Maggie Keswick Jencks Cancer Caring Centres Trust has the following subsidiary companies with the same charitable objects as the Trust, both are registered in Scotland:

The Maggie Keswick Jencks Cancer Caring Centres Trust (Dundee); and
The Maggie Keswick Jencks Cancer Caring Centres Trust (Glasgow).

These are companies limited by guarantee but due to the influence of the composition of the Board of Directors and the membership they are considered to be subsidiary companies. The subsidiary companies were dormant throughout the year.

Maggie Keswick Jencks Cancer Caring Centres Trust England is a charitable company limited by guarantee, registered in England with a year end of 31 January. It is also considered to be a subsidiary company due to the influence of the composition of the Board of Directors. The company was dormant throughout the year and at 31 January 2016 the company had net funds of £62.

The following subsidiaries are included in the consolidated financial statements:

Maggie's Trading Limited, a company registered in Scotland, was engaged by the charity to design and build a number of its new Centres.

On 1 October 2012, The Mary Wallace Foundation – also known as Wallace Cancer Care – which is a charitable company registered in England and Wales with company number 04726158 and charity number 1099299 (England and Wales) merged with the Maggie Keswick Jencks Cancer Caring Centres Trust, and the charity was dissolved on 24 February 2015.

In 2011, the charity established a branch in Barcelona. Delegation of Maggie's Foundation is a non-profit making organisation that is controlled by the charity's Board. During the year, no costs were incurred on behalf of the branch. It is expected that this branch will be closed in 2016 as activities in Barcelona are taken on by a new foundation.

16. Related party transactions

Maggie's Hong Kong, a charitable limited company entity that has been set up in Hong Kong, is supported by the charity and the Keswick Foundation Ltd. Although Maggie's Hong Kong is not controlled by the charity, two of the Directors of the charity, Laura Lee and Clara Weatherall, are also Directors of Maggie's Hong Kong. There were no transactions with Maggie's Hong Kong in the year (2014: nil). Clara Weatherall has now retired as a director of the Charity.

During the year the charity received donations from several Directors, either directly or through other entities in which the Directors also have an interest.

17. Capital commitments

	2015 £'000	2014 £'000
Capital expenditure contracted for but not provided in the financial statements	1,543 ====	536 ====

This relates to commitments made for the construction of Maggie's Centres in Manchester and Forth Valley for which funds are held in restricted funds and the New Centres Development fund.

Notes to the financial statements for the year ended 31 December 2015

18. Other financial commitments

At 31 December 2015 the Trust had total future minimum lease payments under non-cancellable operating leases expiring as set out below:

	2015 £'000	2014 £'000
Land & buildings		
Expiring within one year	30	30
Expiring over five years	8	8
	=====	=====

Payments made under land and buildings operating leases in the year amounted to £38,152 (2014: £153,000). The Charity moved into a new London office in September 2014 on the basis of a periodic tenancy ahead of the formal conclusion of a new ten year lease. Rent was accrued but not paid in the year, and the lease was not signed at 31st December 2015.

Other assets

Expiring less than one year	39	73
Expiring within one to two years	12	4
Expiring within two to five years	2	6
	-----	-----
	53	83
	=====	=====

Payments made under other operating leases in the year amounted to £37,000 (2014: £37,000).

19. Pensions

During the year the Trust operated a group personal pension arrangement for certain employees to which the Trust is contributing 6% of salary. Other employees are members of the National Health Service Pension Scheme under a scheme of Direction to which the Trust makes contributions at 14.3% of salary for the England and Wales scheme and 14.9% for the Scottish scheme. The total pension charge for the year was £519k (2014: £460k). Pension costs outstanding at 31 December 2015 were £76k (2014: £69k).

20. Contingent liabilities

There is one completed Centre where a formal lease has not been signed with the appropriate Health Authority. This will be signed as soon as legal formalities are concluded.

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2015 Group £'000	2014 Group £'000
Net movement in funds	6,615	4,161
Deduct interest income shown in investing activities	(58)	(41)
Add back depreciation	1,088	1,021
Decrease/(increase) in debtors	(787)	1,418
(Decrease) in creditors	(35)	(341)
	-----	-----
Net cash provided by operating activities	6,823	6,218
	=====	=====

Notes to the financial statements for the year ended 31 December 2015

21. Reconciliation of net movement in funds to net cash flow
from operating activities (continued)

	2015 Company £'000	2014 Company £'000
Net movement in funds	6,615	4,161
Deduct interest income shown in investing activities	(58)	(41)
Add back depreciation	1,088	1,021
Decrease/(increase) in debtors	(933)	1,430
(Decrease) in creditors	121	(334)
	-----	-----
Net cash provided by operating activities	6,833	6,237
	=====	=====

22. Split between operating and campaign income and costs in the consolidated statement of financial activities.

For the year ended 31 December 2015

	Notes	Normal Operating Activities £'000	Capital Campaigns £'000	Funds 2015 £'000
Income from:				
Donations and legacies	4	8,601	8,815	17,416
Other trading activities:				
Running, hiking and other events		1,225	375	1,600
Investment income		58	-	58
		-----	-----	-----
Total income		9,884	9,190	19,074
		=====	=====	=====
Expenditure				
Raising funds				
Costs of generating voluntary income	5	2,553	1,199	3,752
Cost of fundraising events	5	794	98	892
Charitable activities				
Support, advice and information	5	7,599	191	7,790
Governance costs	5	25	-	25
		-----	-----	-----
Total expenditure		10,971	1,488	12,459
		=====	=====	=====
(Deficit)/surplus		(1,087)	7,702	6,615
Depreciation included in above resources expended		1,088	-	1,088
		-----	-----	-----
Operating surplus		1	7,702	7,703
		=====	=====	=====