

Annual Report
and Financial
Statements
2014

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 2014, Maggie's celebrated 18 years of supporting people with cancer, and their family 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 which drives our ambition to increase the number of Maggie's Centres and the number of people each Centre supports.

In 2014 we supported 160,000 visits to our Centres (including our Online Centre and in Hong Kong which is operated in partnership with Maggie's Hong Kong Foundation) – 10% more visits than the previous year, and of these 40,000 were from first-time visitors to a Centre.

2014 was a record year for Maggie's in terms of income. We raised a total of £15.6m – rising from £14.6m in 2013 - which enabled us to increase expenditure on our programme of support. This increase in income was achieved with a significant reduction in fundraising costs.

Plans to grow our network of Maggie's Centres are progressing well. During 2014 we opened three new Centres: Merseyside, Lanarkshire and Oxford, our 18th Centre in 18 years. Four new Centres will begin construction in 2015 which are on track to open in 2016, and campaigns are gathering pace for 3 further planned new Centres and our new Online Centre. In 2015 we were delighted to announce our partnership with the internationally-renowned Royal Marsden hospital and our plans to build a new Centre at their Surrey site.

In 2014, Graham Cartledge and Jamie Ritblat stepped down from the Board and we are very grateful for their support. Marcia Blakenham, who has been unwavering in her support of Maggie's throughout its 18 year history, also stepped down from her role on Maggie's Board. I'm delighted that she continues to support the organization in a new capacity as a member of our West London Fundraising Board, and on an ongoing basis as our architecture co-client, with Laura Lee. I would like to take this opportunity to welcome both Nick Claydon, who joins our Board, and Sarah Le May, our new Chair for our Southampton campaign. Geraldine Gammell continues as Chair of our Scotland campaign, playing an important role in supporting the organization in widening its welcome in Scotland.

In my first full year as Chairman, I would like to express my gratitude to those who have supported us so generously once again in 2014. We are very grateful to Walk the Walk, People's Post Code Lottery and Elizabeth Montgomerie Foundation 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, who has led the organisation with unstinting dedication and energy over the past 18 years; 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', written in a cursive style.

Ian Marchant

Report from the Chief Executive

2014 marked a coming of age for Maggie's with the opening of our 18th Centre in 18 years. 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 family 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 2014, people continued to tell us that they value our programme of support highly, with 99% of visitors giving a positive rating of their experience.

My report sets out the organisation's key achievements in 2014, and looks ahead to our plans for the upcoming year.

2014 was a year in which we were able to significantly increase our reach to support more people affected by cancer, with the opening of Maggie's Centres in Merseyside, Lanarkshire and Oxford, and a record number of visits to our Centres including more people newly diagnosed with cancer than ever before. It was a year which saw improved fundraising cost-effectiveness with a cost reduction of 24%, and increased investment in our programme of support, with the proportion of spend on our direct charitable activities increasing from 52% to 63%.

2014 was also a year of substantial growth activity, as we made strong progress towards the ambition set out in our development plan. As well as 3 new Centres opening, our campaigns in Forth Valley, Manchester and Oldham achieved their fundraising targets enabling us to start building work this year; and other campaigns to build new Centres gained momentum in Yorkshire, Southampton and South-East Wales, meaning that by the end of 2015 we will have a total of 12 new Centres in development including our new Online Centre.

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. Every three to five years, Maggie's is subject to an external review that evaluates our programme of support. I'm very pleased to report that the findings from our most recent review, which concluded in 2014, were extremely positive, with reviewers citing Maggie's as a "highly successful community-based approach...a model with international implications". A high level of professionalism amongst staff was noted, and our programme of support was described as "clearly meeting an unmet need for people affected by cancer". My thanks go to Professor Bob Leonard and the Professional Advisory Board for their commitment to ensuring that Maggie's remains a leader in the development and delivery of cancer support.

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.

For 2015, investment in our programme will centre on three areas: resourcing Centres in line with our programme delivery framework; developing initiatives that will build awareness and understanding among people with cancer and health care professionals; and delivering partnerships that provide support to under-represented groups – such as our Living with and Beyond Prostate Cancer, piloted in 2014 and delivered in partnership with Prostate Cancer UK.

We will continue to focus on our programme quality and innovation by developing our quality assurance framework to demonstrate more clearly the impact we have on the lives of people with cancer; as well as reviewing key programme elements such as our nutrition programme and the psychological care and support we offer.

Internationally we will 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 18 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 2014 an extraordinary year for Maggie's and who have contributed to our past 18 years. I would like to say a heartfelt thank you to all those who continue to make our work possible.



Laura Lee

Directors' Report

Introduction

The Directors are pleased to present their report and financial statements for the year ended 31 December 2014.

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 Directors' 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 Directors' 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. Dr Charles Jencks, Professor Robert Leonard and Laura Lee retire by rotation in 2015 and, being eligible, offer themselves for 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.

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 2014 the general reserve fund stood at £2.76 million, equivalent to 3.4 months of 2015 budgeted expenditure excluding the costs of campaigns and direct fundraising event costs. In response to the expansion of the charity the Directors have agreed a budget for 2015 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 £6.1 million. The New Centres Development Fund totals £767,000, and consists of money received and designated to the construction of new Centres outlined in our strategic plan.

The total funds at the end of 2014 were £36.0 million (2013: £31.8 million) of which £28.3 million were held as fixed assets, principally our centres, and £7.7 million were net current assets, of which £7.4 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 £41,000 (2013: £75,000).

Taxation

Maggie's is a charity and is recognised as such by Her Majesty's Revenue and Customs for taxation purposes. As a result no liability to taxation is anticipated on any of its income.

Directors' Report (continued)

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

21 May 2015

Strategic Report

The Directors are pleased to present their strategic report for the year ended 31 December 2014.

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 2014:

Programme Activity

In 2014, we again achieved ambitious growth that made a positive difference to the lives of people with cancer:

- Our Centres had over 160,000 visits (2013: 146,000) from people with cancer and their family and friends.
- Over 40,000 people visited a Maggie's Centre in the UK for the first time (2013: 31,000).
- More than 99% of visitors gave a positive rating (good or excellent) of their experience at Maggie's and 89% stated Maggie's was meeting their needs (completely or mostly).
- We opened new Centres in Merseyside, Oxford and Lanarkshire; bringing the number of Maggie's Centres to 18.

Generating Income

We raised £10.0million of income towards the running of our Centres and the development of the organisation (2014 target: £10.2million) and secured new cash and pledges of over £15million towards our campaigns to build new Centres in the UK (2014 target: £10million).

External Review

The external review by Prof Jonathan Gray and Prof Matthew Loscalzo of our programme was concluded in 2014. The reviewers expressed admiration for the model of care that Maggie's has developed, stating that the "high successful community-based approach ... is a model with international implications", and that the programme "clearly meets an unmet need for people affected by cancer to receive the emotional support, education and information required to cope with this complex life-threatening disease". They also recognised a high level of professionalism amongst staff. Recommendations from the review focused on a few areas and related to how the organisation needs to adapt as it grows. Proposed activity for 2015 in these areas is set out in the Plan for Future Periods section below.

Strategy Review

The Board of Directors also contributed to a review of our future strategic direction. This review determined that Maggie's should continue to focus on providing free practical, emotional and social support to people with cancer and their family and friends from a network of Centres providing all aspects of support under one roof, which are funded from voluntary donations whilst working closely with NHS and charity partners. The review also helped us to identify areas of focus for programme development, for delivering the income support Maggie's growth, and for embedding our unique culture across the organisation as it grows.

Financial Review

2014 was another strong year for Maggie's. We increased total income to £15.6 million (2013: £14.6 million). Income for our capital campaigns increased to just under £5.5 million (2013: £4.4 million) and income to fund our normal operational activities was just over £10.0 million (2013: £10.2 million).

During the year our expenditure reduced from £11.5m to £11.4m. However, expenditure on our programme of support within the Centres increased 20% to £7.1million (2013: £5.9 million) increasing the proportion of our cost spent in this way to 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 be an increasing proportion of our total costs in the years ahead.

Strategic Report (continued)

As part of our plan for 2014 fundraising costs for the year fell significantly by 24% to £4.2 million (including £1.2 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 27% (2013: 38%). 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 incoming resources in the year were a record £15.6million. Income for normal operating activities reduced slightly by £80,000 to £10.0 million. This was due primarily due to a reduction in income from corporate partnerships following a significant donation of £1.5 million received in 2013 from HSBC. However this was in part offset by increases in income from other sources, most notably, legacy income which increased significantly during the year to £1.0 million (2013: £338,000).

£5.5 million was raised in the year for our capital purposes. £450,000 of this was for the campaigns in, Lanarkshire, Oxford, and Merseyside, where we completed the construction of new Centres. A further £1.75 million came in for our planned centre in Manchester; £950,000 was raised for the campaign for our Centre at St Bartholomew's Hospital; £350,000 for the campaign in Forth Valley and a further £2.0 million towards new campaigns in Cardiff, Southampton, Leeds, Oldham and at the Royal Marsden Hospital.

At the year-end, there were outstanding pledges totalling £20.0 million; of this £3.0 million is for operating expenditure and £17.0 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 Barts Hospital in London.

Total income raised rose by £1.0 million (6.7%) to £15.5 million. Legacy income increased by £670,000 in the year.

Expenditure

Revenue expenditure reduced by £135,000 to £11.4 million (2013: £11.5 million) and capital expenditure was £3.8 million (2013: £5.5 million).

Breakdown of charitable expenditure:

	2014	2013
	£'000	£'000
Support, advice and information	7,144	5,942
Building centres	3,843	5,559
	-----	-----
Total	10,987	11,501
	=====	=====

Expenditure on support, advice and information increased by 20% to £7.1 million, including on our new Centre in Merseyside, the new purpose built Centres in Oxford and Lanarkshire, and further investment in resource at our Centres to meet increased demand for our programme of support and in line with our programme delivery framework.

Capital expenditure reduced in the year to £3.8 million as three building projects were completed. This included £2.8 million to complete the construction of the new Maggie's Centres in Oxford, Lanarkshire and Merseyside which all opened in 2014. A further £780,000 was spent on planned Centres at St Bartholomew's London, The Christie in Manchester, Forth Valley, Oldham, Cardiff, Southampton, Leeds and The Royal Marsden Hospital, London. £190,000 was spent on additions to furniture, equipment and artwork for operational Centres and preliminary costs for a planned extension to our Edinburgh Centre.

Strategic Report (continued)

At the end of the year we had capital commitments of £536,000 representing the costs for work just started for the new Centre in Manchester.

The cost of generating voluntary income and running fundraising events decreased by 24% to £4.2 million (2013: £5.5 million). The decrease in cost relates partly to the one-off investment made in 2013 in recruiting new donors to our regular giving programme and also to a reduction in fundraising staff and costs following the adoption of a centre-focussed fundraising approach adopted at the end of 2013.

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

Net incoming resources for the year

The net incoming resources in the year were £4.2 million (2014: £3.0 million). Restricted net incoming resources were £2.9 million, which predominantly comprise income donated specifically for capital purposes that will be spent in future years. Unrestricted net incoming resources were £1.2 million. There was a surplus of £3,000 in our normal operating activities, which included depreciation of £1.0 million. Excluding depreciation there was a cash surplus on normal operating activities of £1.0 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.

Plans for Future Periods

In 2015 we aim to support 10% more people at our Centres than in 2014 and will work with our Professional Advisory Board in taking steps to implement the recommendations from the External Review. We will continue to build awareness and understanding of Maggie's amongst the general public. As plans for our new Centres take shape and campaigns gather pace, growing our income through a Centre-focussed approach to fundraising and by building long-term relationships with our supporters will be vital to help Maggie's grow.

The charity's key targets for 2015 are:

1. To support at least 45,000 new people diagnosed with cancer and family and friends.
2. To receive more than 180,000 visits to our Centres in the UK and Hong Kong.
3. Overall visitor satisfaction of 97%, with 90% stating that their cancer needs had been met.
4. To generate fundraising income of more than £12 million to support our day-to-day activities.
5. To raise more than £12 million in cash and new pledges towards the campaigns to build new Centres.
6. To deliver a free cash surplus of 10% of fundraising income to consolidate our reserves position and to invest in 2016.

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

21 May 2015

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
Sir David Landale KCVO
Jon Snow
Sam Taylor-Johnson
Kirsty Wark
Janet Ellis
Mary McCartney

Directors

Viscountess Blakenham (retired 8th July 2014)
Graham Cartledge CBE (retired 8th July 2014)
Nick Claydon (appointed 13th January 2015)
Alan Eisner (Deputy Chairman)
Dr Charles Jencks
Laura Lee
Professor Robert Leonard
Ian Marchant (Chairman)
Geoffrey Ridley
Jamie Ritblat (retired 8th July 2014)
George Robinson
Clara Weatherall

Company Secretary

Allison Wood

Audit Committee

George Robinson (Chairman)
Viscountess Blakenham (retired 8th July 2014)
Alan Eisner

Finance Committee

Ian Marchant (Chairman)
Alan Eisner
Laura Lee
Allison Wood

Nominations Committee

Ian Marchant (Chairman)
Viscountess Blakenham (retired 8th July 2014)
Alan Eisner
Laura Lee
Geoffrey Ridley
Jamie Ritblat (retired 8th July 2014)

Remuneration Committee

Alan Eisner (Chairman)
Professor Robert Leonard
Ian Marchant

Executive Officers

Sarah Beard, Business Development Director
Ben Cartledge, Operations Director
Laura Lee, Chief Executive
Sarah Matthews, Marketing Director
Ann-Louise Ward, Programme Director
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 Accounts and Statutory Auditors
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 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014, 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.

Malcolm Beveridge

Malcolm Beveridge BA CA
(Senior Statutory Auditor)
For and on behalf of

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

25 MAY 2015

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 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Funds 2014 £'000	Funds 2013 £'000
Incoming Resources						
Incoming resources from generated funds:						
Voluntary income:						
Grants and donations	2	6,793	6,273	-	13,066	12,898
Activities for generating funds:						
Dinners, concerts and challenge events		2,316	131	-	2,447	1,534
Gain on sale of asset		-	-	-	-	71
Investment income		39	-	2	41	75
Total incoming resources		9,148	6,404	2	15,554	14,578
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	3	1,878	1,172	-	3,050	4,461
Cost of fundraising events	3	1,031	140	-	1,171	1,080
Charitable activities*						
Support, advice and information	3	5,012	2,132	-	7,144	5,942
Governance costs	3	28	-	-	28	45
Total resources expended		7,949	3,444	-	11,393	11,528
Net incoming resources before transfers		1,199	2,960	2	4,161	3,050
Transfers between funds		35	(33)	(2)	-	-
Net incoming resources		1,234	2,927	-	4,161	3,050
Total funds at 1 January 2014		8,432	23,154	250	31,836	28,786
Total funds at 31 December 2014	11	9,666	26,081	250	35,997	31,836

Movements in funds are disclosed in note 11 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 £3.843 million (2013: £5.559 million) of capital expenditure on building new Centres as shown in note 7.

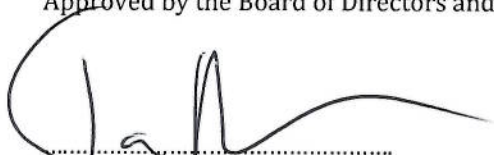
*A split between operating and campaign income and expenditure is shown in note 21.

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

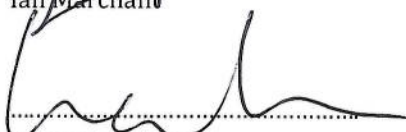
Consolidated balance sheet as at 31 December 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Tangible assets	7		28,347		25,525
Current assets					
Debtors	8	1,389		2,807	
Cash at bank		7,430		4,687	
		-----		-----	
		8,819		7,494	
		-----		-----	
Current liabilities					
Creditors	9	1,169		1,183	
		-----		-----	
Net current assets					
			7,650		6,311
			-----		-----
Total assets less current liabilities					
			35,997		31,836
			=====		=====
Funds					
Endowment fund	11		250		250
Restricted funds	11		26,081		23,154
Unrestricted funds:					
Designated capital asset fund	11		6,142		5,270
Designated new Centres development fund	11		767		847
General fund	11		2,757		2,315
			-----		-----
			35,997		31,836
			=====		=====

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


.....
Ian Marchant

Director


.....
Laura Lee

Director

Date: 21 May 2015

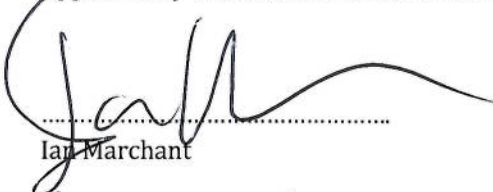
Company Number: SC162451

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

Company Balance Sheet as at 31 December 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Tangible assets	7		28,347		25,525
Current assets					
Debtors	8	1,351		2,782	
Cash at bank		7,417		4,655	
		-----		-----	
		8,768		7,437	
		-----		-----	
Current liabilities					
Creditors	9	1,118		1,126	
		-----		-----	
Net current assets			7,650		6,311
			-----		-----
Total assets less current liabilities			35,997		31,836
			=====		=====
Funds					
Endowment Fund	11		250		250
Restricted Funds	11		26,081		23,154
Unrestricted Funds:					
Designated capital asset fund	11		6,142		5,270
Designated new Centres development fund	11		767		847
General fund	11		2,757		2,315
			-----		-----
			35,997		31,836
			=====		=====

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


.....
Ian Marchant

Director


.....
Laura Lee

Director

Date: 21 May 2015

Company Number: SC162451

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

Consolidated cash flow statement for the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operations	19	6,228	2,212
Returns on investments and servicing of finance			
Interest received		31	87
		-----	-----
		6,259	2,299
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(3,516)	(5,271)
Sale of asset		-	90
		-----	-----
Cash inflow/(outflow) before financing		2,743	(2,882)
		-----	-----
Increase/(decrease) in cash in the year	20	2,743	(2,882)
		=====	=====

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

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and comply in every material respect with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

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 13 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.

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 as soon as the conditions for receipt have been met and there is reasonable assurance and accuracy in respect of the amounts receivable.

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 generating voluntary income 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.

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

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.

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.

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 17 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.

2. Incoming resources from generated funds

	Unrestricted £'000	Restricted £'000	2014 £'000	2013 £'000
Charitable trusts	1,404	1,860	3,264	2,676
Statutory and Big Lottery Fund	63	477	540	658
Local community fundraising	2,336	35	2,371	2,657
Companies	510	227	737	2,073
Individuals	866	3,663	4,529	3,852
Legacies	1,002	5	1,007	338
People's Postcode Lottery	550	-	550	502
Other	62	6	68	142
	-----	-----	-----	-----
	6,793	6,273	13,066	12,898
	=====	=====	=====	=====

In 2014 Income from events organised in the centres and by local boards has been re-classified from Local Community Fundraising to Activities for generating funds in the Statement of Financial Activities. Using this re-classification the 2013 comparator would reduce Local Community fundraising by £820,000 to £1.83 million and total voluntary income would reduce to £12.1 million.

Notes to the financial statements for the year ended 31 December 2014

3. Total resources expended

	Costs of Generating Voluntary Income £'000	Cost of Fund- raising Events £'000	Support, Advice and Information £'000	Governance Costs £'000	2014 £'000	2013 £'000
Staff & related costs Programme & Centre	2,350	274	4,547	-	7,171	7,275
Running costs	-	-	454	-	454	352
Fundraising costs	359	834	-	-	1,193	1,730
Depreciation	30	9	982	-	1,021	717
Other costs	124	36	346	28	534	471
Premises and running costs	187	18	815	-	1,020	983
	-----	-----	-----	-----	-----	-----
	3,050	1,171	7,144	28	11,393	11,528
	=====	=====	=====	=====	=====	=====

4. Net incoming resources for the year

	2014 £'000	2013 £'000
This is stated after charging/(crediting):		
Depreciation	1,021	717
Gain on disposal of fixed assets	-	(71)
Directors' remuneration	143	135
Auditor's remuneration – audit services including VAT	23	24
Auditor's remuneration – non-audit services including VAT	15	15

Employer's pension contributions of £18,000 were paid on behalf of the Chief Executive (2013: £17,000).

5. Staff costs

	2014 £'000	2013 £'000
Salaries	5,644	5,793
Social security costs	546	569
Pension contributions	460	421
	-----	-----
	6,650	6,783
	=====	=====

The average number of employees during the period was 162 (2013: 157). The split of the 162 employees is as follows:

	2014 Number	2013 Number
Programme	78	62
Fundraising	59	71
Administration	9	11
Communications	16	13
	-----	-----
Total	162	157
	=====	=====

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.

Notes to the financial statements for the year ended 31 December 2014

5. Staff costs (continued)

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 £140,000 to £149,999, 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 2014: two (2013: three) Directors were paid total expenses of £2,549 (2013: £4,224) 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 £1,200 for the year to 31 December 2014 (2013: £1,200).

One member of staff was seconded from another organisation (2013: no staff were seconded). The number of other employees whose emoluments as defined for tax purposes amounted to over £60,000 in the year was as follows:

	2014 Number	2013 Number
£60,000 - £69,999	7	10
£70,000 - £79,999	2	4
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-
£100,000 - £109,999	1	2
£110,000 - £119,999	1	-
£120,000 - £129,999	1	2
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
	=====	=====

These employees have retirement benefits accruing under a defined contribution scheme, and NHS Superannuation scheme. Contributions totalling £107,728 were made in the year (2013: £126,531).

	2014 Number	2013 Number
Number of employees with retirement benefits accruing under:-		
Defined contribution schemes	110	104
	=====	=====
NHS Superannuation scheme	44	43
	=====	=====

6. Taxation

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

Notes to the financial statements for the year ended 31 December 2014

7. 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 2014	2,160	25,446	1,022	914	29,542
Additions	-	3,584	177	82	3,843
Disposal	-	(130)	-	(117)	(247)
At 31 December 2014	2,160	28,900	1,199	879	33,138
Depreciation					
At 1 January 2014	129	2,449	707	732	4,017
Charge for year	43	711	152	115	1,021
Charge on disposal	-	(130)	-	(117)	(247)
At 31 December 2014	172	3,030	859	730	4,791
Net book value					
At 31 December 2014	1,988	25,870	340	149	28,347
At 31 December 2013	2,031	22,997	315	182	25,525

8. Debtors

	2014 £'000	Group 2013 £'000	2014 £'000	Company 2013 £'000
Other debtors and prepayments	1,389	2,807	1,351	2,782

Debtors include accrued legacy income, grants, gift aid and bank interest receivable at 31 December 2014.

Notes to the financial statements for the year ended 31 December 2014

9. Creditors

	2014 £'000	Group 2013 £'000	2014 £'000	Company 2013 £'000
Amounts due to subsidiary undertaking	-	-	77	64
Other taxes and social security costs	234	232	234	232
Other creditors	735	649	608	528
Accruals	23	24	22	24
Deferred income	177	278	177	278
	-----	-----	-----	-----
	1,169	1,183	1,118	1,126
	=====	=====	=====	=====

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

Deferred income comprises:	£'000
Brought forward	278
Released to incoming resources during the year	(158)
Deferred in year	57

Carried forward	177
	=====

10. Analysis of net assets between funds

	Endowment Funds £'000	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
Tangible fixed assets	-	22,205	-	6,142	28,347
Net current assets	250	3,876	767	2,757	7,650
	-----	-----	-----	-----	-----
	250	26,081	767	8,899	35,997
	=====	=====	=====	=====	=====

Notes to the financial statements for the year ended 31 December 2014

11. Movement in funds

		At 1 January 2014 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 December 2014 £'000
Endowment fund:						
Blakenham fund	(i)	250	2	-	(2)	250
Restricted funds:						
Centres capital funds:						
Operational Centres	(ii)	16,535	-	(731)	-	15,804
Centres under development:		6,178	5,178	(1,441)	(33)	9,882
Restricted revenue funds:						
Centre programme funds	(iii)	418	843	(953)	-	308
Big Lottery Fund for Maggie's London		-	37	(37)	-	-
Big Lottery Fund for Maggie's Swansea		-	59	(55)	-	4
Big Lottery Fund for Maggie's Liverpool		-	186	(113)	-	73
Big Lottery Fund for Maggie's Nottingham		-	101	(101)	-	-
Fundraising and publicity funds		23	-	(13)	-	10
Total restricted funds		23,154	6,404	(3,444)	(33)	26,081
Unrestricted funds:						
Designated funds:						
Capital asset fund	(iv)	5,270	-	(161)	1,033	6,142
New Centres Development Fund:	(v)	847	293	-	(373)	767
General fund	(vi)	2,315	8,855	(7,788)	(625)	2,757
Total unrestricted funds		8,432	9,148	(7,949)	35	9,666
Total funds		31,836	15,554	(11,393)	-	35,997

The above funds carried forward at 31 December 2014 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. The transfer represents expenditure made on a campaign prior to the restricted funds being received in the year.
- (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 2014

11. 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 £373,000 of funds held for the construction of new Centres spent in the year and transferred to the Capital Asset 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, £464,000 capital expenditure on new centres in Oxford and Merseyside and £163,000 capital expenditure on operational Centres transferred into the Capital Asset fund.

12. Charity statement of financial activities

	Total Funds 2014 £'000	Total Funds 2013 £'000
Incoming resources		
Incoming resources from generated funds:		
Voluntary income	13,066	12,898
Activities for generating funds	2,447	1,534
Profit on sale of asset	-	71
Investment income	41	75
	-----	-----
Total incoming resources	15,554	14,578
	=====	=====
Resources expended		
Costs of generating funds	4,221	5,541
Charitable activities*	7,144	5,942
Governance costs	28	45
	-----	-----
Total resources expended	11,393	11,528
	=====	=====
Net incoming resources	4,161	3,050
Total funds at 1 January 2014	31,836	28,786
	-----	-----
Total funds at 31 December 2014	35,997	31,836
	=====	=====

*The cost of charitable activities does not include £3.843 million (2013: £5.559 million) of capital expenditure on building new Centres as shown in note 7.

Notes to the financial statements for the year ended 31 December 2014

13. 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 2015 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 24th 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, costs of £31,692 were incurred on behalf of the branch.

14. 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 (2013: nil).

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

15. Capital commitments

	2014 £'000	2013 £'000
Capital expenditure contracted for but not provided in the financial statements	536 =====	2,275 =====

This relates to commitments made for the construction of Maggie's Centres in Manchester 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 2014

16. Other financial commitments

At 31 December 2014 the Trust had annual commitments under non-cancellable operating leases expiring as set out below:

	2014 £'000	2013 £'000
Land & buildings		
Expiring within one year	-	48
	=====	=====

Payments made under land and buildings operating leases in the year amounted to £153,000 (2013: £155,000). The Charity moved into a new London office during the year on the basis of a periodic tenancy ahead of the formal conclusion of a new ten year lease.

Other assets

Expiring less than one year	12	5
Expiring within one to two years	2	8
Expiring within two to five years	23	24
	-----	-----
	37	37
	=====	=====

Payments made under other operating leases in the year amounted to £37,000 (2013: £47,000).

17. 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% of salary for the England and Wales scheme and 13.5% for the Scottish scheme. The total pension charge for the year was £460k (2013: £421k). Pension costs outstanding at 31 December 2013 were £69k (2013: £60k).

18. 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.

	2014 £'000	2013 £'000
19. Reconciliation of net incoming resources to net cash inflow from operations		
Net incoming resources	4,161	3,050
Gain on sale of asset	-	(71)
Interest received	(41)	(75)
Depreciation	1,021	717
Decrease/(increase) in debtors	1,428	(1,170)
(Decrease) in creditors	(341)	(239)
	-----	-----
Net cash inflow from operations	6,228	2,212
	=====	=====

Notes to the financial statements for the year ended 31 December 2014

20. Analysis of movement in net funds during the year

	At 1 January 2014 £'000	Cashflow £'000	Other non-cash Changes £'000	At 31 December 2014 £'000
Cash at bank and in hand	4,687	2,743	-	7,430
	=====	=====	=====	=====

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

For the year ended 31 December 2014

	Notes	Normal Operating Activities £'000	Capital Campaigns £'000	Funds 2014 £'000
Incoming Resources				
Incoming resources from generated funds:				
Voluntary income:				
Grants and donations	2	7,961	5,105	13,066
Activities for generating funds:				
Running, hiking and other events		2,082	365	2,447
Investment income		41	-	41
Total incoming resources		10,084	5,470	15,554
		=====	=====	=====
Resources expended				
Costs of generating funds				
Costs of generating voluntary income	3	2,269	781	3,050
Cost of fundraising events	3	1,031	140	1,171
Charitable activities				
Support, advice and information	3	6,753	391	7,144
Governance costs	3	28	-	28
Total resources expended		10,081	1,312	11,393
		=====	=====	=====
Surplus		3	4,158	4,161
Depreciation included in above resources expended		1,021	-	1,021
Operating surplus		1,024	4,158	5,182
		=====	=====	=====