

Annual Report  
and Financial  
Statements  
2013

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## Welcome from the Chairman of the Board of Directors

Across the UK, Hong Kong and online, Maggie's is providing a unique model of cancer support that is alive, working, respected and growing. Despite many breakthroughs in cancer treatment and care during the last two decades, by 2020 almost half of people in the UK will have cancer at some point in their lives. Today there are two million people living with cancer and this figure is steadily rising, with over 300,000 new diagnoses each year.

As cancer will touch even more of us in our lifetime, it is essential that everyone who needs it has access to the type of support Maggie's offers. During our next period of growth (as we outlined in 2012 in our Five Year Plan) we plan to continue to increase the number of physical centres we operate as well as enhance our on-line presence. In so doing we aim to treble the amount of new people we support each year to 80,000. We will achieve this by ensuring we remain focused on delivering exceptional quality of support, and with the vital help and dedication of our growing number of supporters.

I would like to begin by saying a huge thank you and farewell to former Chairman Nigel Cayzer whose dedication and energy throughout his eight-year tenure guided the organisation into the strong position it is in today.

In 2013 we had 14% more visits than in 2012, supporting more than 16,000 people newly diagnosed with cancer as well as 15,500 visits from new carers. The total number of visits to our Centres was 146,000 (including our Online Centre and in Hong Kong which is operated in partnership with Maggie's Hong Kong Foundation), reflecting a 20% increase on carer visits, and our Centre users benefitted from a collective financial gain of £17.3 million (14% increase) through recommendations from our Benefits Advisors. We are therefore making good progress against the growth objectives set out in our Five Year Plan.

2013 was also a strong year financially for Maggie's; we raised £14.6 million which enabled us to increase expenditure on our programme of support by 22% to £5.9 million. A more detailed analysis of costs and income follows in the Directors' Report on page 9. We also recruited donors to our regular giving programme around several of our established Centres to ensure a varied income stream, while mass participation events – Monster Bike and Hike and Culture Crawl – added value raising awareness as well as opportunities for future sponsorship.

During 2013 three new Centres were completed – Hong Kong (our first international Centre), Newcastle and Aberdeen – while numerous campaigns gathered pace. Our partnership with the internationally renowned cancer treatment and research centre The Christie, Manchester, has exceeded all expectations and is already well on the way to achieving its campaign objectives. The campaign for our second Centre in London, at St Bartholomew's hospital, continues to grow, together with campaigns for Centres in Yorkshire, Southampton, Forth Valley, South East Wales, Barcelona and our new Online Centre. Looking ahead, interim Centres in Oxford and Lanarkshire will be replaced by purpose-built Centres later this year, while this summer an interim service will open in Merseyside at the Clatterbridge Cancer Centre.

Philippa Grant and Danny Rimer have both stepped down from the Board and we are extremely grateful for their hard work in guiding Maggie's through a time of growth. Philippa continues as Chair of our Highlands Fundraising Board while Danny supports us from abroad. I would like to take this opportunity to welcome newly-appointed Fundraising Board Chairs Debbie Laidlaw and Helen Polito, co-Chairs of our Oxford Fundraising Board, and Neil McLean, Chair of our Yorkshire campaign. We are also very grateful to Jim Martin, and Sir Roger Jones who continue to Chair our Manchester and Cardiff Campaign Boards so effectively.

As ever, the list of thanks is extensive. We are very grateful to Walk the Walk, People's Postcode Lottery and The Elizabeth Montgomerie Foundation for their ongoing and generous funding that has enabled us to further our programme of support and expand our network of Centres. Likewise, our sincere gratitude and appreciation goes to HSBC for its substantial contribution to several of our ongoing campaigns.

HRH The Duchess of Cornwall remains instrumental in her role as President of Maggie's and showed her continued support by extending her patronage for a further five years as well as opening our Aberdeen Centre with HRH The Queen of Norway.

## Welcome from the Chairman of the Board of Directors (continued)

Maggie's relies on the continued dedication, commitment and drive of its volunteers and staff. It therefore gives me great pleasure to thank all of our supporters who give their time and effort to bake, run, hike, cycle and so much more in aid of Maggie's. And thanks not least to Laura Lee, our Chief Executive and her senior management team for driving forward our plans to ensure that everyone who needs us has access to our unique model of practical, emotional and social support for people with cancer and their family and friends.

Ian Marchant

## Report from the Chief Executive

2013 was an exceptional year with the opening of three new Centres, significantly increasing our ability to reach more people with all types of cancer and their family and friends. I am pleased to report that we supported more new people and saw more visits to our Centres than ever before; while also maintaining the quality of our programme with 99% of people visiting finding the support that we provide helpful. Maintaining these standards of excellence in the support we provide is at the forefront of our minds as we work to achieve the ambitious goals we set out in our Five Year Plan.

This year my report sets out the achievements of 2013 and looks ahead to our exciting plans for the upcoming year.

### Alive, working, respected, growing

Maggie's is there for anyone and everyone affected by cancer and 2013 was a year of tremendous activity: by the end of the year we had 15 Centres open with a further six campaigns to build new Centres gathering momentum.

As we grow, it is vital that we maintain the quality of our professional and evidence-based cancer support programme and that those who use us continue to value us. I'm pleased to report that in 2013 our unique approach to cancer care was highlighted in The Department of Health's National Cancer Survivorship Initiative Report as an example of best practice. We continued to assess our programme through the feedback of those who visit our Centres and in 2013, saw an increase in the number of people who told us that the support we provide is helpful (99% versus 94% in 2012).

Every three to five years Maggie's is also subject to an external review that evaluates our programme of support. The 2013 review, which took place in five of our Centres (including Hong Kong), identifies areas for development and ensures that we continue to provide the best possible support for people with cancer and their family and friends. The conclusions of this will be published later in the year, but interim findings show Maggie's unique model of support to be one of excellence. I would like to thank 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.

Further details of our achievements and performance in 2013 and our plans for 2014 are set out in the Strategic Report approved by the directors and set out on page 13.

### Our plans for the future

Today, there are two million people living with or after cancer in the UK and this figure is steadily rising. Every year 300,000 people across the UK are diagnosed with cancer, facing tough questions, exhausting treatment and difficult emotions that can range from anxiety to loneliness and isolation. We want to provide free practical, emotional and social support to people with cancer and their family and friends – as much as we can and as many as we can - to meet the growing demand for support.

It is this ever-growing need which drives our ambition for the future set out in our five year 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.

Investment in our programme will therefore focus on three things: extending the reach of the support we offer; ensuring that support is of the highest and most consistent quality across all our Centres and maintaining our existing Centres.

In the UK, this means 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. Our planned new Online Centre will extend this reach.

Internationally we will work in partnership with organisations in a number of different countries to fund and establish Centres abroad. Our Online Centre will also be available to people across the world, extending our reach even further.

This growth will increase our reach far beyond what it is today, extending our unique support to make the biggest difference we can.

**Thank you**

It is the people visiting our Centres that remain our focus and who help drive us forward in our ambitious goals. But none of the work we do would be possible without the continuing and much valued support of our volunteers, staff and fundraisers.

I am continually inspired by the dedication and passion of these supporters who give their time and money to support Maggie's so generously. I would like to say a heartfelt thank you to all those who have helped to make 2013 an extraordinary year for Maggie's.

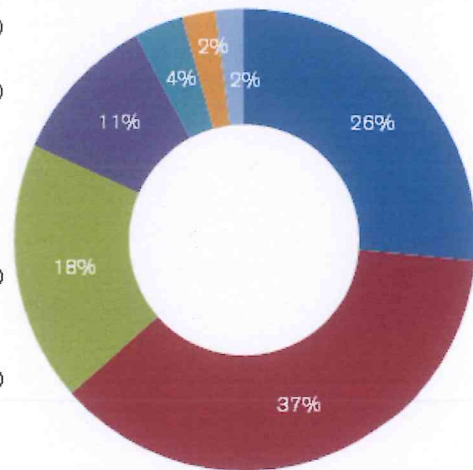


**Laura Lee**

## Financial highlights

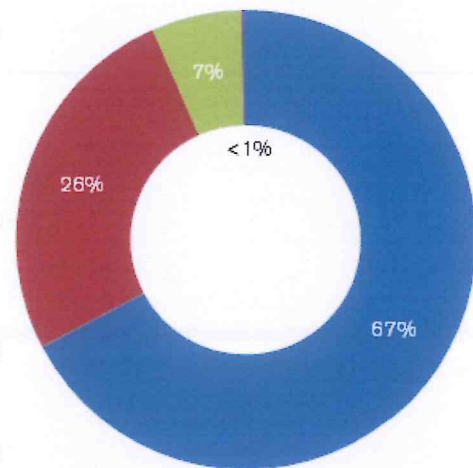
### How we raised our money in 2013

■ <b>Individuals</b>	This is income from our regular givers and major donors.	£3,852,000
■ <b>Charitable trusts, companies &amp; statutory</b>	This is income from companies including staff fundraising and corporate donations. Statutory income includes, money from the Big Lottery Fund, the Scottish Government and the Welsh Assembly Government.	£5,407,000
■ <b>Local community fundraising</b>	This includes income from volunteers and supporters who run events and fundraise locally in their community around their Centres.	£2,657,000
■ <b>Activities for generating funds</b>	This includes income from our biking, hiking and running events and also includes income from dinners and balls.	£1,534,000
■ <b>People's Postcode Lottery</b>	This is the money for charitable support which we receive from the People's Postcode Lottery.	£502,000
■ <b>Legacies</b>	This is the money that people leave us in their will.	£338,000
■ <b>Bank interest &amp; other</b>	This is interest receivable from our bank accounts £75,000, other small grants £142,000 and gain on sale of an asset - £71,000.	£288,000
<b>Total income</b>		<b>£14,578,000</b>



### How we spent our money in 2013

■ <b>Activities to help people affected by cancer</b>	The cost of building new Centres and refurbishing and upgrading existing Centres - £5,559,000. The cost of running our Centres and providing the programme of support both within the Centres and Online - £5,942,000.	£11,501,000
■ <b>Costs of generating voluntary income</b>	This is the cost of receiving and attracting voluntary donations, new supporters and our fundraising activities. These are our main source of funds.	£4,461,000
■ <b>Costs of fundraising events</b>	This the cost of organising our running, hiking and biking events. Also included are the costs of fundraising dinners and balls.	£1,080,000
■ <b>Costs of governance</b>	This includes costs to meet statutory requirements such as audit fees.	£45,000
<b>*Total expenditure</b>		<b>£17,087,000</b>



\*Total expenditure includes £5,559,000 of capital expenditure on building new Centres and upgrading existing Centres for which some of the income was received in previous years.

## Directors' Report

### Introduction

The Directors are pleased to present their report and financial statements for the year ended 31 December 2013.

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 beside cancer treatment centres, allowing people who have 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. Underneath 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 quarterly. 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.

### 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 was established by the Board in March 2013 to review the annual budget and to monitor the performance of the organisation against its annual budgets.

### 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.

The members of the sub-committees are set out at the end of the Directors' Report.

### 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.

## Directors' Report (continued)

### 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 Alan Eisner, George Robinson and Marcia Blakenham retire by rotation in 2014 and, being eligible, offer themselves for re-election.

Biographies of Directors can be found on the charity's website.

### 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 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 is reliant on a number of income streams and needs to maintain a level of reserve 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 2013 the general reserve fund stood at £2.3 million, equivalent to 3 months of 2014 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 2013 delivering a surplus to increase general reserves to £2.7 million by the end of 2014 to grow reserves to between 3 and 6 months of the following year's anticipated expenditure (excluding the costs of capital campaigns and fundraising event costs).

## Directors' Report (continued)

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 £5.3 million. The New Centres Development Fund totals £847,000, 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 2013 were £31.8 million (2012: £28.8 million) of which £25.5 million were held as fixed assets and £6.3 million were net current assets, of which £4.7 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 at least three banks and an instant access liquidity fund. During the year income from deposits and accounts amounted to £75,000 (2012: £73,000).

### 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.

### 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.

## Directors' Report (continued)

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.

## Strategic Report

The directors are pleased to present their strategic report for the year ended 31 December 2013.

### Review and Analysis of Activities

The charity continued its principal activities throughout the current year.

### Achievements and Performance

Laid out below are the achievements of 2013 based on the five key objectives we set ourselves for the year:

#### 1. To support at least 32,000 newly diagnosed people with cancer and carers, with over 150,000 visits to our Centres:

Across all of our Centres, including Online and abroad, Maggie's received more than 146,000 visits, a 14% increase based on 2012. We supported over 16,000 people with a new diagnosis of cancer and 15,500 new carers, representing a 20% increase on the previous year.

#### 2. To invest in raising awareness of Maggie's and understanding of what we do:

Raising awareness and building understanding of our programme is a critical part of supporting more people through our Centres and growing our supporter base. In 2013 we established a fully-integrated Marketing capability, which included the appointment of a leading creative and media agency to help us drive awareness and lead the development of our new website. Support from the media is crucial in raising awareness levels and throughout the year, existing relationships were built upon and new partnerships were formed.

#### 3. To generate uplift in revenue and capital income:

In 2013 we set out to increase expenditure on our programme of support, and this was achieved. Last year Maggie's raised almost £17.1 million – £14.6 million of which was income received, with £2.5 million raised in new pledges which will be realised in future years. As a result we have been able to increase significantly our expenditure on supporting people affected by cancer by 22% – thereby extending our reach to those who need us most.

#### 4. To invest in promoting regular giving for long-term growth in income:

Door-to-door campaigns to recruit regular donors ran in communities surrounding five of our Centres in England and Wales. Almost 2,500 people signed up to our regular giving programme, allowing us to take the necessary step toward diversifying income streams and increasing predictable income.

#### 5. To deliver a free cash surplus to support further investment in 2014:

In 2013 we delivered a surplus, which will enable our Centres to continue to be resourced over the coming year in line with our programme delivery framework.

### Financial Review

2013 was another strong year for Maggie's. We increased total income by 9% to £14.6 million. Income for our capital campaigns reduced slightly to £4.4 million (2012: £5 million) and income to fund our normal operational activities increased by 21% to £10.2 million (2012: £8.4 million). This has enabled us to progress our plan to increase the number of Maggie's Centres, ensure they are sustainable once built and thereby extend our programme of support to meet the needs of the growing number of people affected by cancer.

We opened new Centres in both Newcastle and Aberdeen, resulting in the increased number of visits to a Maggie's Centre by 16% to 146,000 (2012: 125,000). As a result, expenditure on our programme of support within the Centres increased 22% to £5.9million (2012: £4.9 million). As we continue to develop the support we provide and build new Centres that reach more people with cancer, our charitable expenditure will continue to grow.

## Strategic Report (continued)

We also invested in our fundraising in the year to ensure we build a diverse and growing portfolio of income sources to meet this. During 2013 we recruited more than 2,500 new donors, who support Maggie's through regular monthly donations. Fundraising was tightly controlled with our underlying fundraising costs remaining at the same level as 2012 in line with our strategy to improve our fundraising rate of return. 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. Over the medium term our aim is to improve the fundraising rate of return and the sustainability and diversity of our funding sources.

### Incoming resources

Total incoming resources in the year were a record £14.6 million. Voluntary income grew by 16% to £12.9 million; of this £4.4 million was raised through our capital campaigns.

Income from statutory and Big Lottery Funds increased during the year to £658,000 and we continue to be successful in obtaining other grants to enable us to fund our programme of support in the new Centres, typically for the first three years, while income generated by the local community grows to help sustain the Centre beyond that time period.

Income from companies grew significantly during the year as a result of the number of corporate partners increasing. We are particularly grateful for the continuing partnership with HSBC who are supporting us to develop a number of new Centres and enabling us to invest in our fundraising and marketing activities such as donor recruitment.

Income from individuals increased by £76,000, and from charitable trusts increased by £1.4 million. This is a reflection of the timing of donations made for our capital campaigns, as this income largely comprises a small number of large donations specifically for campaign purposes.

Income from the communities around our Centres decreased by 12% during the year; this followed the 23% increase the previous year due to a number of one-off gifts having been received and a challenging economic background. The communities around our Centres remain a valuable part of our fundraising activity.

Legacy income decreased by 12% during 2013 – this is still a developing area of income and can fluctuate from year to year. We continue to develop this area of fundraising to ensure sustainable growth over the longer term and expect a small increase in income in 2014.

Maggie's also generates funds and awareness through mass participation running, hiking and walking events and major donor fundraising events. The mass participation events showed a decrease in income in the year. In 2012 we held a Night Hike in Glasgow and were the chosen charity for the Pedal Scotland event, both of which were not repeated in 2013. There is fierce competition in this area and we will continue to develop our events to ensure they remain cost effective. Likewise our annual Autumn Party event was not held in 2013.

£4.4 million was raised in the year towards our capital purposes. £4.0 million of this was for the campaigns in Newcastle, Aberdeen, Lanarkshire and Oxford. A further £140,000 was raised for the campaign for our Centre at St Bartholomew's Hospital; with another £279,000 towards new campaigns in Manchester, Cardiff, Southampton and Leeds and an interim Centre in Liverpool. At the year-end, there were outstanding pledges totalling £7.0 million including the £2.5m of new pledges raised in 2013; of this £1.9 million towards revenue income and £5.1 million towards new Centre campaigns.

### Expenditure

Revenue expenditure increased by £1.2 million to £11.5 million and capital expenditure was £5.5 million (2012: £2.2 million).

## Strategic Report (continued)

Breakdown of charitable expenditure:	2013	2012
	£'000	£'000
Support, advice and information	5,942	4,879
Building centres	<u>5,559</u>	<u>2,195</u>
Total	<u>11,501</u>	<u>7,074</u>

Expenditure on support, advice and information increased by 22% to £5.9 million. The increase reflects the cost of running our programme of support in our new Centres that opened during the year and an increased programme of support in our existing Centres in line with a new programme delivery framework adopted in 2013.

Capital expenditure increased in the year to £5.5 million. This included £2.3 million of construction costs for Maggie's Newcastle and Maggie's Aberdeen both of which opened in 2013 and £2.64 million of costs for Centres under-construction in Lanarkshire and Oxford, and the new interim service in Liverpool. A further £355,000 was spent on planned Centres at St Bartholomew's London, The Christie in Manchester, Cardiff, Southampton and Leeds. £245,000 was spent on developing our online facilities and various other additions to furniture, equipment and artwork for operational Centres. At the end of the year we had capital commitments of £2.28 million representing the outstanding costs of the Centres under construction in Oxford and Lanarkshire.

The cost of generating voluntary income (excluding fundraising event costs) increased by 8% to £4.5 million (2012: £4.1 million). The increase in cost relates to investment made in recruiting new donors to our regular giving programme, following a successful pilot in 2012. Excluding this investment our underlying costs of raising voluntary income remained at the same level as 2012. The costs of raising income from our mass participation biking, hiking and running events and major donor events decreased by 15% reflecting the reduction in the number of events taking place in the year.

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 £3.0 million (2012: £3.0 million). Restricted net incoming resources were £2.6 million, which predominantly comprise income donated specifically for capital purposes that will be spent in future years. Unrestricted net incoming resources were £399,000. There was a deficit of £147,000 in our normal operating activities, which included depreciation of £717,000. Excluding depreciation there was a cash surplus on normal operating activities of £570,000.

### Plans for Future Periods

In 2014 we aim to support 20% more people at our existing Centres than in 2013 and will work with our Professional Advisory Board in taking the necessary 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 an expert and leader in cancer care. And as plans for our new Centres take shape and campaigns gather pace, growing our income through major giving and community revenue remains vital for supporting both existing Centres and new Centres once they are realised.

## Strategic Report (continued)

The key actions for 2014 are:

1. To support at least 36,000 people newly diagnosed with cancer and family and friends.
2. To receive more than 153,000 visits to our Centres in the UK.
3. To generate fundraising income of more than £10 million to support our day-to-day activities.
4. To raise more than £10 million in cash and new pledges towards the campaigns to build new Centres.
5. To deliver a free cash surplus of 10% of fundraising income to consolidate our reserves position.

### 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.

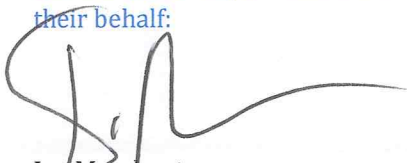
Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure quality of delivery for all operational aspects of the services provided by all Maggie's Centres. A Finance Procedures Manual has been adopted as part of the charity's policies 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 will happen concurrently; and
- the effective delivery of a quality service to centre users during a 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 Directors' Report and the Strategic Report have been approved by the Board of Directors and are signed on their behalf:



Ian Marchant  
Chairman

8 JULY 2014



## President, Patrons, Directors and Officers

### Founders

Maggie Keswick Jencks and Charles Jencks

### President

HRH The Duchess of Cornwall

### Patrons

Sarah Brown  
Frank Gehry  
Lord Rogers of Riverside CH  
Dame Zaha Hadid  
Sir David Landale KCVO  
Jon Snow  
Sam Taylor-Johnson  
Kirsty Wark

### Directors

Viscountess Blakenham  
Graham Cartledge CBE  
Nigel Cayzer (Chairman) (retired 21 January 2014)  
Alan Eisner  
Philippa Grant MBE, Countess of Dysart (retired 10 June 2013)  
Dr Charles Jencks  
Laura Lee  
Professor Robert Leonard  
Ian Marchant (appointed Chairman 21<sup>st</sup> January 2014)  
Geoffrey Ridley  
Daniel Rimer (retired 10 June 2013)  
Jamie Ritblat  
George Robinson  
Clara Weatherall

### Company Secretary

Allison Wood

### Audit Committee

Ian Marchant (Chairman) (retired 20 March 2014)  
George Robinson (Chairman) (appointed 20 March 2014)  
Viscountess Blakenham  
Alan Eisner

### Finance Committee

Ian Marchant (Chairman)  
Nigel Cayzer (retired 21 January 2014)  
Alan Eisner  
Laura Lee  
Allison Wood

### Nominations Committee

Nigel Cayzer (Chairman) (retired 21 January 2014)  
Ian Marchant (appointed Chairman 21 January 2014)  
Viscountess Blakenham  
Alan Eisner (appointed 20 March 2014)  
Laura Lee  
Geoffrey Ridley (appointed 20 March 2014)  
Jamie Ritblat

### Remuneration Committee

Nigel Cayzer (Chairman) (retired 21 January 2014)  
Ian Marchant (appointed Chairman 21 January 2014)  
Alan Eisner (appointed 17 September 2013)  
Professor Robert Leonard

### Executive Officers

Sarah Beard, Business Development Director  
Ben Cartledge, Operations Director  
Laura Lee, Chief Executive  
Sarah Matthews, Marketing Director  
Sharon O'Loan, Fundraising Director, Scotland  
Ann-Louise Ward, Programme Director  
Allison Wood, Finance Director

### Website

[www.maggiescentres.org](http://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

2<sup>nd</sup> Floor, Palace Wharf  
London W6 9HN

### Auditor

Chiene + Tait  
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 2013 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 charity, 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 11, 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 2013, 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 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 A Beveridge*

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

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

*29 July* 2014

Chiene + Tait 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 2013

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Funds 2013 £'000	Funds 2012 £'000
<b>Incoming Resources</b>						
<b>Incoming resources from generated funds:</b>						
<b>Voluntary income:</b>						
Grants and donations	2	7,393	5,505	-	12,898	11,108
<b>Activities for generating funds:</b>						
Running, hiking and other events		1,533	1	-	1,534	2,178
Gain on sale of asset		71	-	-	71	-
Investment income		73	-	2	75	73
<b>Total incoming resources</b>		<b>9,070</b>	<b>5,506</b>	<b>2</b>	<b>14,578</b>	<b>13,359</b>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income	3	3,278	1,183	-	4,461	4,133
Cost of fundraising events	3	1,080	-	-	1,080	1,274
<b>Charitable activities*</b>						
Support, advice and information	3	4,268	1,674	-	5,942	4,879
Governance costs	3	45	-	-	45	42
<b>Total resources expended</b>		<b>8,671</b>	<b>2,857</b>	<b>-</b>	<b>11,528</b>	<b>10,328</b>
<b>Net incoming resources before transfers</b>		<b>399</b>	<b>2,649</b>	<b>2</b>	<b>3,050</b>	<b>3,031</b>
Transfers between funds		2	-	(2)	-	-
<b>Net incoming resources</b>		<b>401</b>	<b>2,649</b>	<b>-</b>	<b>3,050</b>	<b>3,031</b>
<b>Total funds at 1 January 2013</b>		<b>8,031</b>	<b>20,505</b>	<b>250</b>	<b>28,786</b>	<b>25,755</b>
<b>Total funds at 31 December 2013</b>	11	<b>8,432</b>	<b>23,154</b>	<b>250</b>	<b>31,836</b>	<b>28,786</b>

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 £5,559 million (2012: £2,195 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 24 form part of these financial statements.

Consolidated balance sheet as at 31 December 2013

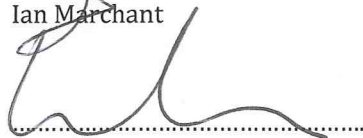
	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
<b>Fixed assets</b>					
Tangible assets	7		25,525		20,702
<b>Current assets</b>					
Debtors	8	2,807		1,649	
Cash at bank		4,687		7,569	
		-----		-----	
		7,494		9,218	
		-----		-----	
<b>Current liabilities</b>					
Creditors	9	1,183		1,134	
		-----		-----	
<b>Net current assets</b>			6,311		8,084
			-----		-----
<b>Total assets less current liabilities</b>			31,836		28,786
			=====		=====
<b>Funds</b>					
Endowment fund	11		250		250
Restricted funds	11		23,154		20,505
Unrestricted funds:					
Designated capital asset fund	11		5,270		4,734
Designated new Centres development fund	11		847		1,119
General fund	11		2,315		2,178
			-----		-----
			31,836		28,786
			=====		=====

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



.....  
Ian Marchant

Director



.....  
Laura Lee

Director

Date: 8<sup>th</sup> July 2014

Company Number: SC162451

The notes starting on page 24 form part of these financial statements.

COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2013

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
<b>Fixed assets</b>					
Tangible assets	7		25,525		20,702
<b>Current assets</b>					
Debtors	8	2,782		1,637	
Cash at bank		4,655		7,569	
		<u>7,437</u>		<u>9,206</u>	
<b>Current liabilities</b>					
Creditors	9	<u>1,126</u>		<u>1,122</u>	
<b>Net current assets</b>			<u>6,311</u>		<u>8,084</u>
<b>Total assets less current liabilities</b>			<u>31,836</u>		<u>28,786</u>
<b>Funds</b>					
Endowment Fund	11		250		250
Restricted Funds	11		23,154		20,505
Unrestricted Funds:					
Designated capital asset fund	11		5,270		4,734
Designated new Centres development fund	11		847		1,119
General fund	11		2,315		2,178
			<u>31,836</u>		<u>28,786</u>

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

  
..... Director

Ian Marchant

  
..... Director

Laura Lee

Date: 8<sup>th</sup> July 2014

Company Number: SC162451

The notes starting on page 24 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from operations	19	2,212	2,954
Returns on investments and servicing of finance			
Interest received		87	82
		-----	-----
		2,299	3,036
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(5,271)	(1,931)
Sale of asset		90	-
		-----	-----
Cash (outflow)/inflow before financing		(2,882)	1,105
		-----	-----
(Decrease)/increase in cash in the year	20	(2,882)	1,105
		=====	=====

The notes starting on page 24 form part of these financial statements.

## Notes to the financial statements for the year ended 31 December 2013

### 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, Maggie's Trading Limited and the Mary Wallace Foundation. 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	-	more than 50 years
Furniture and fittings	-	more than 4 years
Office equipment and computer software	-	more than 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 2013

### 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	Restricted	2013	2012
	£'000	£'000	£'000	£'000
Charitable trusts	378	2,298	2,676	1,299
Statutory and Big Lottery Fund	38	620	658	413
Local community fundraising	2,651	6	2,657	3,021
Companies	2,072	1	2,073	1,692
Individuals	1,337	2,515	3,852	3,776
Legacies	307	31	338	386
People's Postcode Lottery	502	-	502	456
Other	108	34	142	65
	-----	-----	-----	-----
	7,393	5,505	12,898	11,108
	=====	=====	=====	=====

Notes to the financial statements for the year ended 31 December 2013

3. Total resources expended

	Costs of Generating Voluntary Income £'000	Cost of Fund- raising Events £'000	Support, Advice and Information £'000	Govern- ance Costs £'000	2013 £'000	2012 £'000
Staff & related costs	2,910	436	3,929	-	7,275	6,537
Programme & Centre						
Running costs	-	-	352	-	352	260
Fundraising costs	1,158	572	-	-	1,730	1,461
Depreciation	31	6	680	-	717	677
Other costs	116	35	275	45	471	534
Premises and running costs	246	31	706	-	983	859
	-----	-----	-----	-----	-----	-----
	4,461	1,080	5,942	45	11,528	10,328
	=====	=====	=====	=====	=====	=====

4. Net incoming resources for the year

	2013 £'000	2012 £'000
This is stated after charging/(crediting):		
Depreciation	717	677
Gain on disposal of fixed assets	(71)	-
Directors' remuneration	135	128
Auditor's remuneration – audit services including VAT	24	19
Auditor's remuneration – non-audit services including VAT	15	18

Employer's pension contributions of £17,000 were paid on behalf of the Chief Executive (2012: £16,000).

5. Staff costs

	2013 £'000	2012 £'000
Salaries	5,793	5,174
Social security costs	569	506
Pension contributions	421	338
	-----	-----
	6,783	6,018
	=====	=====

The average number of employees during the period was 157 (2012: 146). The split of the 157 employees is as follows 62 employees in programme, 71 fundraising for revenue and capital, 11 in administration and 13 in communications.

In addition we use a number of 'sessional' staff to deliver many of the courses run in our Centres. There were 90 sessional staff delivering these courses across the Centres during the year.

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 £130,000 to £139,999, 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 2013: three (2012: one) Directors were paid total expenses of £4,224 (2012: £1,394) 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 2013 (2012: £1,200).

Notes to the financial statements for the year ended 31 December 2013

5. Staff costs (continued)

No staff were seconded from other organisations (2012: one person 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:

	2013 Number	2012 Number
£60,000 - £69,999	10	5
£70,000 - £79,999	4	3
£80,000 - £89,999	1	-
£90,000 - £99,999	-	1
£100,000 - £109,999	2	-
£110,000 - £119,999	-	1
£120,000 - £129,999	2	1
£130,000 - £139,999	<u>1</u>	=

These employees have retirement benefits accruing under a defined contribution scheme. Contributions totalling £126,531 were made in the year (2012: £65,082).

	2013 Number	2012 Number
Number of employees with retirement benefits accruing under:-		
Defined contribution schemes	104	82
	=====	=====
NHS Superannuation scheme	43	31
	=====	=====

6. Taxation

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

7. Fixed assets – group and company

	Freehold Land & Buildings £'000	Tenants Improve- ments £'000	Furniture and Fittings £'000	Office Equipment & Computer Software £'000	Total £'000
<b>Cost</b>					
At 1 January 2013	2,180	20,208	847	768	24,003
Additions	-	5,238	175	146	5,559
Disposal	(20)	-	-	-	(20)
	-----	-----	-----	-----	-----
At 31 December 2013	2,160	25,446	1,022	914	29,542
	-----	-----	-----	-----	-----
<b>Depreciation</b>					
At 1 January 2013	87	1,962	599	653	3,301
Charge for year	43	487	108	79	717
Charge on disposal	(1)	-	-	-	(1)
	-----	-----	-----	-----	-----
At 31 December 2013	129	2,449	707	732	4,017
	-----	-----	-----	-----	-----
Net book value					
At 31 December 2013	2,031	22,997	315	182	25,525
	=====	=====	=====	=====	=====
At 31 December 2012	2,093	18,246	248	115	20,702
	=====	=====	=====	=====	=====

Notes to the financial statements for the year ended 31 December 2013

8. Debtors

	2013 £'000	Group 2012 £'000	2013 £'000	Company 2012 £'000
Other debtors and prepayments	2,807	1,649	2,782	1,637
	=====	=====	=====	=====

Debtors include accrued legacy income, grants, gift aid and bank interest receivable at 31 December 2013.

9. Creditors

	2013 £'000	Group 2012 £'000	2013 £'000	Company 2012 £'000
Amounts due to subsidiary undertaking		-	64	62
Other taxes and social security costs	232	197	232	197
Other creditors	649	710	528	636
Accruals	24	22	24	22
Deferred income	278	205	278	205
	-----	-----	-----	-----
	1,183	1,134	1,126	1,122
	=====	=====	=====	=====

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

Deferred income comprises:	£'000
Brought forward	205
Released to incoming resources during the year	(130)
Deferred in year	203
	-----
Carried forward	278
	=====

10. Analysis of net assets between funds

	Endowment Funds £'000	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
Tangible fixed assets	-	20,255	-	5,270	25,525
Net current assets	250	2,899	847	2,315	6,311
	-----	-----	-----	-----	-----
	250	23,154	847	7,585	31,836
	=====	=====	=====	=====	=====

Notes to the financial statements for the year ended 31 December 2013

11. Movement in funds

		At 1 January 2013 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 December 2013 £'000
<b>Endowment fund:</b>						
Blakenham fund	(i)	250	2	-	(2)	250
<b>Restricted funds:</b>						
<b>Centres capital funds:</b>						
Operational Centres	(ii)	12,929	-	(559)	4,165	16,535
Centres under development:		7,004	4,257	(918)	(4,165)	6,178
<b>Restricted revenue funds:</b>						
Centre programme funds	(iii)	530	1,095	(1,207)	-	418
Big Lottery Fund for Maggie's London		-	76	(76)	-	-
Big Lottery Fund for Maggie's Swansea		-	21	(21)	-	-
Big Lottery Fund for Maggie's Oxford		14	26	(40)	-	-
Big Lottery Fund for Maggie's Nottingham		-	31	(31)	-	-
Fundraising and publicity funds		28	-	(5)	-	23
<b>Total restricted funds</b>		<b>20,505</b>	<b>5,506</b>	<b>(2,857)</b>	<b>-</b>	<b>23,154</b>
<b>Unrestricted funds:</b>						
<b>Designated funds:</b>						
Capital asset fund	(iv)	4,734	-	(105)	641	5,270
New Centres Development Fund:	(v)	1,119	156	(34)	(394)	847
General fund	(vi)	2,178	8,914	(8,532)	(245)	2,315
<b>Total unrestricted funds</b>		<b>8,031</b>	<b>9,070</b>	<b>(8,671)</b>	<b>2</b>	<b>8,432</b>
<b>Total funds</b>		<b>28,786</b>	<b>14,578</b>	<b>(11,528)</b>	<b>-</b>	<b>31,836</b>

The above funds carried forward at 31 December 2013 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 the net book value held in a restricted fund for Newcastle and Aberdeen Centres as they became operational during 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 £394,000 of capital expenditure on new Centres where funds were held in the New Centres Development fund, and a transfer of £247,000 from general funds for capital expenditure on operational Centres and website development.

## Notes to the financial statements for the year ended 31 December 2013

### 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 £394,000 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, £247,000 capital expenditure on operational Centres and website transferred into the Capital Asset fund.

### 12. Charity statement of financial activities

	Total Funds 2013 £'000	Total Funds 2012 £'000
<b>Incoming resources</b>		
<b>Incoming resources from generated funds:</b>		
Voluntary income	12,898	11,083
Activities for generating funds	1,534	2,159
Profit on sale of asset	71	-
Investment income	75	73
	-----	-----
<b>Total incoming resources</b>	<b>14,578</b>	<b>13,315</b>
	=====	=====
<b>Resources expended</b>		
Costs of generating funds	5,541	5,396
Charitable activities*	5,942	4,846
Governance costs	45	42
	-----	-----
<b>Total resources expended</b>	<b>11,528</b>	<b>10,284</b>
	=====	=====
<b>Net incoming resources</b>	<b>3,050</b>	<b>3,031</b>
<b>Total funds at 1 January 2013</b>	<b>28,786</b>	<b>25,755</b>
	-----	-----
<b>Total funds at 31 December 2013</b>	<b>31,836</b>	<b>28,786</b>
	=====	=====

\*The cost of charitable activities does not include £5.559 million (2012: £2.195 million) of capital expenditure on building new Centres as shown in note 7.

## Notes to the financial statements for the year ended 31 December 2013

### 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 are now dormant.

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. At 31 January 2014 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.

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 £24,562 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 (2012: 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.

In addition one of the charity's office premises is provided rent free to the charity by a company in which a Director has an interest. No sum is recognised in the financial statements in respect of this.

15. Capital commitments	2013	2012
	£'000	£'000
Capital expenditure contracted for but not provided in the financial statements	2,275	1,759
	====	====

This relates to commitments made for the construction of Maggie's Centres in Oxford and Lanarkshire 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 2013

### 16. Other financial commitments

At 31 December 2013 the Trust had annual commitments under non-cancellable operating leases expiring as set out below:

	2013 £'000	2012 £'000
<b>Land &amp; buildings</b>		
Expiring within one year	48	-
Expiring within two to five years	-	64
	=====	=====

Payments made under land and buildings operating leases in the year amounted to £155,000 (2012: £107,000).

### Other assets

Expiring less than one year	5	-
Expiring within one to two years	8	8
Expiring within two to five years	24	25
	-----	-----
	37	33
	=====	=====

Payments made under other operating leases in the year amounted to £47,000 (2012: £42,000).

### 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 £421k (2012: £338k). Pension costs outstanding at 31 December 2013 were £60k (2012: £48k).

### 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.

### 19. Reconciliation of net incoming resources to net cash inflow from operations

	2013 £'000	2012 £'000
Net incoming resources	3,050	3,031
Gain on Sale of Asset	(71)	-
Interest received	(75)	(73)
Depreciation	717	677
(Increase) in debtors	(1,170)	(341)
(Decrease) in creditors	(239)	(340)
	-----	-----
<b>Net cash inflow from operations</b>	<b>2,212</b>	<b>2,954</b>
	=====	=====



Notes to the financial statements for the year ended 31 December 2013

20. Analysis of movement in net funds during the year

	At 1 January 2013 £'000	Cashflow £'000	Other non-cash Changes £'000	At 31 December 2013 £'000
Cash at bank and in hand	7,569	(2,882)	-	4,687
	=====	=====	=====	=====

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

For the year ended 31 December 2013

	Notes	Normal Operating Activities £'000	Capital Campaigns £'000	Funds 2013 £'000
<b>Incoming Resources</b>				
<b>Incoming resources from generated funds:</b>				
<b>Voluntary income:</b>				
Grants and donations	2	8,484	4,414	12,898
<b>Activities for generating funds:</b>				
Running, hiking and other events		1,534	-	1,534
Gain on sale of asset		71	-	71
Investment income		75	-	75
		-----	-----	-----
<b>Total incoming resources</b>		<b>10,164</b>	<b>4,414</b>	<b>14,578</b>
		=====	=====	=====
<b>Resources expended</b>				
<b>Costs of generating funds</b>				
Costs of generating voluntary income	3	3,660	801	4,461
Cost of fundraising events	3	1,080	-	1,080
<b>Charitable activities</b>				
Support, advice and information	3	5,526	416	5,942
Governance costs	3	45	-	45
		-----	-----	-----
<b>Total resources expended</b>		<b>10,311</b>	<b>1,217</b>	<b>11,528</b>
		=====	=====	=====
<b>(Deficit)/Surplus</b>		<b>(147)</b>	<b>3,197</b>	<b>3,050</b>
Depreciation included in above resources expended		717	-	717
		-----	-----	-----
<b>Operating surplus</b>		<b>570</b>	<b>3,197</b>	<b>3,767</b>
		=====	=====	=====