

**Annual Report
and Financial
Statements
2012**

maggie's

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Welcome from the Chairman of the Board of Directors

In 1995, when Maggie Keswick Jencks drew up her blueprint for a Cancer Caring Centre, her vision was simple: a beautiful place full of light and open space, with a big kitchen table at its heart. A place where people with cancer, their families and friends could find the emotional, social and practical support they need. Maggie did not live to see that first Centre open, but her vision lives on in the rapidly expanding network of Centres that bear her name.

As more people live longer with cancer, so the need for Maggie's grows. The Board have adopted a new plan to double the number of Maggie's Centres from 15 to 30 and increase the number of visits each year to 300,000. This plan will only be brought to fruition with the help of our many friends, supporters and volunteers.

This planned growth builds upon our successes over the last 17 years, and particularly, in 2012 when Maggie's Centres received a remarkable 15% more visits than in 2011. The 125,000 visits to our 15 Centres (including our Online Centre) included 13,000 people newly diagnosed with cancer and 12,000 of their family and friends, who experienced the support available at a Maggie's Centre for the first time.

2012 was also another good year for Maggie's financially; we raised £15.7million of which £13.4 million was income and £2.3million was new pledges, which will be redeemed as new Centres are constructed. Our pledge bank now totals £8.4million. The expenditure on our Centres and the programme of support they provide to our visitors increased by 7% to £4.9million and an additional £2.2m was spent on building new Centres. In order to achieve this result, to serve our broad range of supporters and to lay the foundations for four new campaigns to support new Centres, there was an increase in costs associated with activities to generate voluntary income of 19% to £4.1million and £1.3m was spent on running fundraising events. Together these costs represent 34% of total income and pledges raised. The board expects to see this ratio fall back towards 30% as the benefit of this investment in fundraising is realised.

During 2012, no new Centres were completed. However, since the turn of the year, we have seen the Newcastle and Hong Kong Centres open; and our Centre in Aberdeen will open in the late summer. New Centres in Oxford and Lanarkshire are in construction to replace the interim services we already provide in these locations.

I would like to thank Lorna Moran and her Campaign Board in Newcastle and Keith Kerr and the Board of Maggie's Hong Kong for all the work they carried out to ensure the successful opening of these Centres. In Hong Kong, I would also like to thank the Keswick Foundation, which funded the Centre and provided such valuable back up throughout its development and construction. None of these Centres would exist without the support of the hospitals to which they are attached and we are very grateful to The Newcastle upon Tyne Hospitals NHS Foundation Trust and the Hong Kong Health Authority for their help.

The Campaign to open our second Centre in London at St Bartholomew's Hospital continues to make progress. We are planning new campaigns to build Centres in Manchester, Leeds, Southampton and Cardiff. We are delighted to welcome Jim Martin as the Chairman of the Manchester Campaign Board and Sir Roger Jones as the Chairman for the Cardiff Campaign Board. In Barcelona, a Centre at the Hospital de Sant Pau moves forward under the Chairmanship of Germán Casejón. We are very grateful to Walk the Walk, The Elizabeth Montgomerie Foundation and to the People's Postcode Lottery for their generous ongoing support and are hugely appreciative of the support of HSBC, which has contributed to our campaigns for five new Centres and to the continuing success of our organisation.

Maggie's programme of support is widely respected within the NHS thanks to the crucial work of our Professional Advisory Board, which has grown and strengthened under the leadership of Professor Bob Leonard. Our External Review will take place this year to review the programme of support which Maggie's provides and evaluate its delivery and impact.

Each of our achievements and aspirations is underpinned by the support of the people who guide and govern the organisation. The commitment and oversight of the Board is essential to the ongoing success of Maggie's. We have this year established a Finance Committee to monitor implementation of the new plan, ensuring that the generous donations from our supporters are used to the best result. I would like to thank the members of the Board and in particular, Dr Ali Afshar, who has retired from the Board after 12 years. We are very grateful for his support and for his ongoing commitment to Maggie's as chairman of the Property Committee and the Edinburgh Associate Board.

As with every charity the list of thanks is very great. It gives me great pleasure to thank the intrepid and dedicated souls who bike, hike, run, bake and do so much more in support of Maggie's. I would like to thank in particular Her Royal Highness The Duchess of Cornwall for all the work she does on our behalf and who has committed to another five year term as our President, the members of our Campaign and Associate Boards for their help, and Laura Lee, our Chief Executive, her executive team and all the staff at Maggie's for their hard work and commitment throughout the year.

Maggie's vision was of a Centre where people with cancer, their families and friends could find practical, emotional and social support. The growth of our organisation is built on that vision and upon the hope that one day everyone with cancer will have access to the support they need.



Nigel Cayzer

Report from the Chief Executive

Introduction

Amongst our many achievements in 2012, I am pleased to report that we supported more new people and saw more visits to our existing Centres than ever before, whilst also maintaining the quality of our programme of support.

This year my report sets out in more detail the achievements of 2012 and describes our plans to support more people at more Maggie's Centres in the future. These plans are both exciting and ambitious and I look forward to working with all our supporters to achieve them.

Maggie's aim

Maggie's unique model of support transforms the way that people live with cancer. We want everyone who needs it to have access to this support. Across the organisation, we work together to meet our ambition by:

- focusing on the delivery of our model of support, which puts people with cancer, and their family and friends, at the heart of all we do;
- creating inspiring places and exceptional experiences that make a difference to the people we support and the people that support us; and
- building open and collaborative partnerships with key individuals and organisations.

Achievements during 2012

In 2012, we reached the key milestones set out in our five year plan, Expanding the Network, two years ahead of target. This is a remarkable feat, which has been made possible thanks to the generosity of our volunteers and supporters and the dedication of our staff. Set out below are our key achievements in 2012 against the five key objectives set out in that plan:

1. [To consistently provide a professional and evidence based cancer support programme that is widely accessible, free and valued by those who use it](#)

We received over 125,000 visits to Maggie's Centres (2011: 109,000), including from over 13,000 new people with cancer and over 12,000 new family and friends of people with cancer. The number of new people supported is equivalent to 4.5% of the 300,000 people diagnosed with cancer in the UK in 2012; almost one in four people newly diagnosed with cancer in Scotland used a Maggie's Centre.

94% of our visitors felt that we met their cancer support needs; with 81% of people finding the support that Maggie's provides 'very helpful', with the remaining 19% finding the support 'helpful'.

The Professional Advisory Board continues to oversee the evidence based development of our programme. During 2012 we implemented our first research strategy which will further demonstrate the evidence based impact of Maggie's programme of support and will be overseen by a sub-committee of the Professional Advisory Board. Our ongoing research partnerships include studies focusing on the role of architecture in healthcare, awareness and on barriers to access to cancer support, and on an evaluation of managing stress.

2. [To design, build and operate an appropriate network of caring centres that ensure the provision of the intended cancer support programme, at an acceptable cost](#)

By the end of 2012, we were providing support from 15 Centres (13 Centres in the UK, an interim Centre in Hong Kong and our Online Centre). Our newest Centre in the UK is at Addenbrooke's Hospital in Cambridge, where we successfully joined forces with the Mary Wallace Foundation in October 2012 to form Maggie's Wallace.

The significant impact of the three Centres opened in 2011 demonstrates the value of our investment in growing our network. In Swansea, the new Centre saw twice as many visits as the interim service in 2011; in Glasgow, the addition of our Centre at Gartnavel increased visits in Glasgow by 34%; and there were over 7,000 visits to our new Centre in Nottingham.

During the year, we also agreed to start building four new Centres in Newcastle, Aberdeen, Oxford and Lanarkshire, and have progressed our plans for a further eight Centres and continued to develop relationships with international partners with a view to expanding our network internationally.

3. [To deliver increasing and more sustainable levels of income to fund future growth and ensure financial stability](#)

During 2012, we raised £13.4million (including £5.0million towards campaigns); more income than ever before; whilst continuing to invest in growing sustainable and predictable sources of income.

The increase across fundraising income streams that we have invested in over the last three years was particularly pleasing; with a 23% increase in community income, and further growth in corporate

partnerships - where we launched a joint 'cancer in the workplace' initiative - as well as in individual giving and legacies. The market for cycling, running and hiking events remains competitive, so we did well to achieve an increase on the previous year's income from these. We also invested in our online fundraising platform and the infrastructure required to support effective fundraising across our network of Centres. As noted above, the £5.0million of campaign income allowed us to agree to start building new Centres in Newcastle, Aberdeen, Oxford and Lanarkshire.

4. [To increase the awareness of our existence amongst the general public and demonstrate the value of our activities to our stakeholders](#)

We continued to develop awareness and understanding of Maggie's amongst the general public as an expert and leader in cancer care. Media support is an important aspect of building awareness in a cost effective way and we developed our relationships with the key media partners that work with us. A review of our marketing and communications identified opportunities to further increase awareness and understanding to support our programme and fundraising activities and we will be investing in these opportunities in 2013.

5. [To recruit, retain and develop teams of suitably skilled and motivated staff, who consider themselves to be valued and well managed](#)

During 2012, we increased the number of staff, to almost 150, to meet the requirements of our Centres for expert staff and of our fundraising and administrative operations for skilled and motivated individuals. Importantly, we strengthened our senior management team with the recruitment of an Operations Director and Property Director. We also invested in the induction of new staff and development of our existing staff.

Our plans for the future

Having witnessed the positive impact our Centres have had for people with cancer over the last three years, during 2012 we developed our plans to support more people in the future. In doing so, we considered the key challenges in cancer care and support and consulted with people who use our Centres and our key stakeholders.

Challenges

The key future challenges in cancer care and support include:

- More people living with cancer – The UK has an ageing population, whose life expectancy is extending significantly, improving cancer survival rates due to better treatment and/or earlier diagnosis, and more people with cancer living longer with managed cancer treatment plans.

In the UK, there are already over 300,000 new cancer diagnoses each year. With more than 1 in 3 people developing some form of cancer during their lifetime, it is estimated that the number of people living with, or affected by, cancer will increase from 2 million to 4 million by 2030.

- The complexity of cancer is increasing - There is a growing awareness of cancer as a complex range of conditions and of the late/long term physical and psychological consequences of cancer and cancer treatments. This is part of the 'survivorship' need being prioritised by governments internationally.
- Treating the 'individual' is expected - With the increasing ease of access to information, particularly through the internet, people are demanding more from medical professionals. We have seen a shift towards holistic assessment, information and personalised care planning to support people's needs on an individual basis.

There is also growing evidence to show that the emotional well-being of people affected by cancer and that of their family and friends can influence their cancer experience, treatment and recovery.

Maggie's is amongst a very small number of charities, including charities such as Macmillan and Marie Curie, that offer support to people with any type of cancer across a network of centres. Maggie's fills a gap in the provision of the cancer support by providing a programme of support in calm and helpful places for people with cancer and their family and friends at any stage of their cancer experience. These trends and challenges show that this gap in provision is likely to grow, rather than diminish, as is the number of people living with cancer.

Maggie's key attributes

We identified the following attributes of what we do that make our organisation unique and that ensure our programme of support delivers improved quality of life to people with cancer. In setting out our ambition for the future, we will maintain and enhance each of these aspects of what we do.

1. [Dedicated, expert staff](#)

The expertise of our staff and the passion and professionalism of their approach is recognised and respected by people with cancer and cancer professionals.

2. Evidence-based cancer support

Everything we do is evidence based. This means that our programme of support has been developed based on what has been shown in the UK and internationally, both in research literature and clinically, to be effective in supporting people with cancer.

3. The design of our buildings

Great architecture is central to the care Maggie's offers; and to achieve that, we work with great architects.

4. Our culture

Maggie's is founded on an approach that is tailored to the individual, that enables people to thrive and that is contemporary and modern.

I am delighted that Maggie's also continues to have a unique relationship with the NHS. The strength of this relationship with people responsible for cancer care at NHS Trusts and at national level has been critical to our success so far. We are proud that our Centres are located in the grounds of NHS hospitals and are focused on ensuring that our programme complements the clinical care provided by the NHS.

Our ambition for the future

It is our ambition that Maggie's will:

- double the number of Maggie's Centres open to support people with cancer; and
- treble the number of new people we support each year.

In the UK, this ambition will mean that there will be a Maggie's Centre open at major cancer hospitals, which are accessible to around half of people in the UK (with nearly 50% coverage in England, 100% in Scotland and over 70% in Wales). Our Online Centre will be available and accessible to more people. Internationally, we will pilot Centres in partnership with hospitals and funders.

We aim to be recognised internationally as a leading provider of individually-tailored cancer support delivered by professional experts, through a network of inspiring places and based on a world-class, evidenced-based programme, which is valued by the people it supports.

Next steps

2013 is an important first year of our new plan. We will be consolidating our 2012 achievements and preparing for the next stage of our growth. We will be raising awareness and understanding of what Maggie's offers, with the aim of supporting more people through our Centres and growing our supporter base.

We aim to support 20% more people at our existing Centres than we did in 2012 and will work with our Professional Advisory Board to review and implement the findings of this year's important External Review, which is being carried out by two international leaders in the field of cancer support.

As we prepare for future growth we will focus on fundraising campaigns and planning for eight new Centres: St Bartholomew's, Forth Valley, Barcelona, Manchester, Leeds, Cardiff, Southampton and Liverpool. Growing our income before these new Centres are completed is crucial, so, through further investment, we are working to increase community income, regular giving, and major giving income.

The key actions for 2013 are:

1. To support at least 32,000 new people with cancer and their family and friends, with over 150,000 visits to our Centres.
2. To invest in raising awareness of Maggie's and understanding of what we do.
3. To generate an uplift in revenue and capital income, including increases in income from community fundraising and major giving.
4. To invest in promoting regular giving for long term growth in income.
5. To deliver a free cash surplus to support further investment in 2014.

A heartfelt thank you

Whilst my daily focus is on achieving our goal that everyone who needs it will have access to the kind of support Maggie's offers, my daily inspiration comes from the people that I meet in our Centres; people who find joy in life, even in the face of huge adversity. It is only through the generosity of our supporters that they can find the support they need at Maggie's. So, on behalf of everyone who visited a Maggie's Centre in 2012, I would like to say a heartfelt thank you.

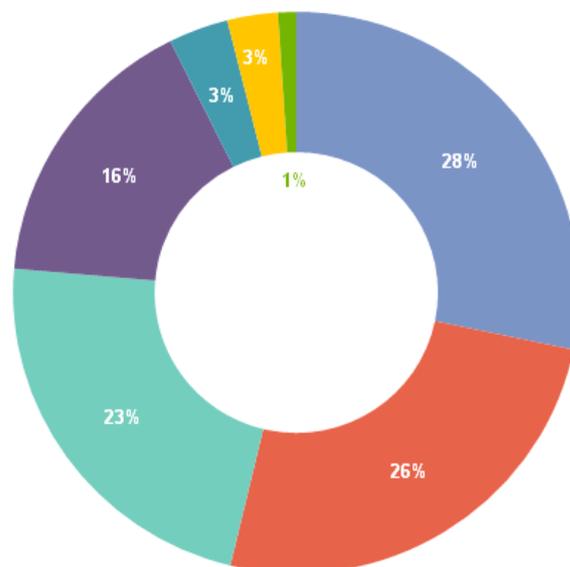


Laura Lee

Financial Highlights

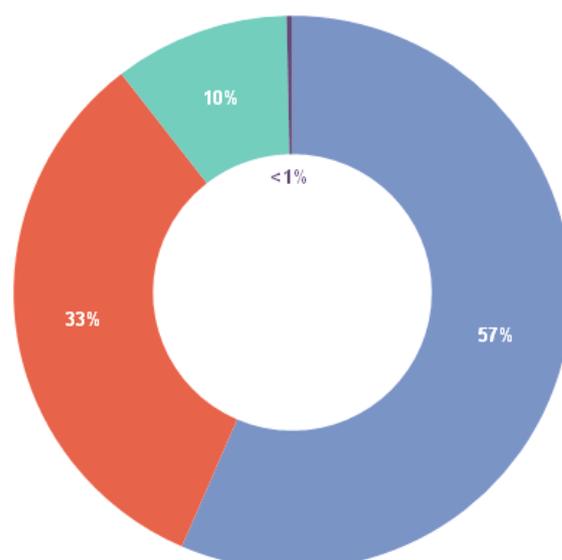
How we raised our money in 2012

Individuals	This is income from our regular givers and major donors.	£	3,776,000
Charitable Trusts, Companies & Statutory	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.	£	3,404,000
Local Community Fundraising	This includes income from volunteers and supporters who run events and fundraise locally in their community around our centres.	£	3,021,000
Activities for generating funds	This includes income from our biking, hiking and running events and also includes income from dinners and balls.	£	2,178,000
People's Postcode Lottery	This is the charitable support we receive from the People's Postcode Lottery.	£	456,000
Legacies	This is money that people leave us in their wills.	£	386,000
Bank Interest and Other	This is interest receivable from our bank accounts - £73,000 - and other small grants - £65,000.	£	138,000
Total Income		£	13,359,000



How we spent our money in 2012

Activities to help people affected by cancer	The cost of building new centres and refurbishing and upgrading existing centres - £2,195,000. The cost of running our centres and providing the programme of support both within the centres and online - £4,879,000.	£	7,074,000
Costs of generating income	This is the cost of receiving and attracting voluntary donations, new supporters and our fundraising activities. These are our main source of funds.	£	4,133,000
Cost of fundraising events	This is the cost of organising our running, hiking and biking events. Also included are the costs of fundraising dinners and balls.	£	1,274,000
Cost of governance	This includes costs to meet statutory requirements such as audit fees.	£	42,000
Total Expenditure		£	12,523,000



Directors' Report

Introduction

The Directors are pleased to present their Report and Financial Statements for the year ended 31 December 2012.

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.

Financial Review

Financial Overview

2012 was another strong year for Maggie's despite the ongoing uncertain and challenging economic environment. We increased total income by 5% to £13.4 million. Income for our capital campaigns remained stable at £5.0 million and income to fund our normal operational activities increased by 8% to £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 started construction on new Centres in Newcastle, Aberdeen, Oxford and Lanarkshire, all of which will be open in the next 12 months. We increased the number of visits to a Maggie's Centre by 15% to over 125,000 visits. As a result, expenditure on our programme of support within the Centres increased 7% to £4.9 million.

As we continue to expand our support and build new Centres that reach more people with cancer, our charitable expenditure will continue to grow. We continued to invest in our fundraising in the year to ensure we build a diverse and growing portfolio of income sources to meet this. This investment is reflected in the 20% increase in our total fundraising cost in the year, including fundraising events. The Board will continue to review this investment to ensure that the rate of return 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 £13.4 million. Voluntary income grew by 2.4% to £11.8 million. Of this £5.0 million was raised through our capital campaigns.

Income from statutory and Big Lottery Funds reduced during the year due to the absence of a single £1.2 million grant which was received in 2011 for our capital campaign in Swansea. However we continue to be successful in obtaining other grants to enable us to fund the programme of support in the new Centres, typically for the first three years, whilst 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.

Income from individuals increased by £1.6 million, and from Charitable Trusts decreased by £1.5 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 increased by 23% during the year showing just how integral each Maggie's Centre is to its local community.

Legacy income fluctuates from year. Income from this source increased during 2012. We continue to invest in this area of fundraising to ensure sustainable growth over the longer term.

Maggie's also generates funds and awareness through mass participation running, hiking and walking events and high value fundraising events. The mass participation events showed an increase in income in the year following a difficult year in 2011. There is, however, fierce competition and we will continue to develop our events to ensure their cost effectiveness in this challenging climate. We were delighted to be the beneficiary of the hugely successful Quintessentially Bike Ride event which raised over £250,000 towards our Campaign for a Maggie's Centre at St Bartholomew's Hospital in London. The annual Autumn Party high value event was also a great success.

£5.0 million was raised in the year towards our capital purposes. £3.0 million of this was for the campaigns in Newcastle, Aberdeen, Lanarkshire and Oxford which coupled with our additional pledges allowed us to start construction on these new Centres. A further £850,000 was raised for the campaign for our Centre at St Bartholomew's Hospital; with another £1.2 million towards new campaigns due to be launched publicly in Manchester, Cardiff, Southampton and Leeds.

Cash received in 2012 included £1.2 million from pledges carried forward at 1 January 2012 and £1.6 million received from pledges made during 2012. Net additional pledges for 2012 totalled £2.3 million and, as at the year end, there were pledges totalling £8.4 million (£2.1 million towards revenue income and £6.3 million towards campaigns).

Expenditure

Revenue expenditure increased by £1.2 million to £10.3 million and capital expenditure was £2.2 million (2011: £7.2 million). The reduction of capital expenditure reflects the construction costs of 3 Centres completed in 2011 compared with 2 Centres beginning their construction in the latter half of 2012. Expenditure on support, advice and information was increased by 6% to £4.9 million. The increase reflects the cost of running our programme of support for a full year in the Centres we opened in 2011.

Analysis of Charitable expenditure:

	2012 £'000	2011 £'000
Support, advice and information	4,879	4,579
Building centres	<u>2,195</u>	<u>7,225</u>
Total	<u>7,074</u>	<u>11,804</u>

Capital expenditure in the year was £2.2 million. This included the initial construction costs for Maggie's Newcastle and Maggie's Aberdeen both of which are due for completion in 2013 at a total construction cost of £4.9 million of which £1.8 million was incurred during 2012. We also incurred £169,000 of preliminary works and professional fees for planned Centres in Lanarkshire, Oxford and St Bartholomew's in London. £184,000 was spent on developing our online facilities, completion of the Centres in Nottingham and Swansea and various other additions to furniture, equipment and artwork for operational Centres. At the end of the year we had capital commitments of £1.75 million representing the outstanding costs of the Centres under construction on Newcastle and Aberdeen.

The cost of generating voluntary income (excluding fundraising event costs) increased by 19% to £4.1 million (2011: £3.5 million). The increase in cost relates to investment in four main areas. First, the cost of supporting an increased level of community activity following the new community fundraising structure put in place during 2012. Second, investment in a pilot regular giving programme, the results of which will inform our investment in regular giving over the next 5 years. Third, additional expense in promoting our events, which as noted above showed an increase in income in 2012 despite fierce competition in this market. Fourth, continuing investment in the fundraising administration and infrastructure required to effectively support our increasing levels of income.

Governance costs include the cost of audit, legal and statutory compliance. These costs reduced during the year following the one-off legal costs of establishing a branch of Maggie's in Barcelona in 2011.

Net Incoming resources for the year

The net incoming resources in the year were £3.0 million (2011: £3.6 million). Restricted net incoming resources were £3.0 million, which predominantly comprise income donated specifically for capital purposes that will be spent in future years. Unrestricted net incoming resources were £22,000.

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 2012 the general reserve fund stood at £2.2 million. In response to the expansion of the charity the Directors have agreed a surplus budget to increase general reserves to £2.6 million by the end of 2013 to maintain reserves at 3 months of 2013 cash revenue costs (excluding the costs of capital campaigns and fundraising event costs).

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 £4.7 million. The New Centres Development Fund totals £1.1 million, 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 2012 were £28.8 million, of which £20.7 million were held as fixed assets and £8.1 million were net current assets, of which £7.6 million was held in cash.

Investment Policy

During the year the Directors reviewed the investment policy and agreed that surplus funds should continue to be held in fixed term deposit accounts and diversified across at least three banks and an instant access liquidity fund. During the year income from deposits and accounts amounted to £73,000 (2011: £121,000).

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.

Risk Management

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:

- Funding risks associated with the charity's dependence on voluntary income;
- Ensuring rigorous management of major building projects some of which will happen concurrently; and
- Ensuring 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, objective and key performance indicators that are monitored monthly by the Executive management and quarterly by the Board to ensure its effective delivery and the management of risk.

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.

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 five 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.

In September 2011 the Board of Directors resolved to allow for the appointment of up to a maximum of 15 Directors (previously 14) to Maggie's Board of Directors. Following the resignation of Dr Ali Afshar on 19 June 2012, the increase has been reviewed and a resolution to revert to a maximum of 14 Directors will be passed at the next Annual General Meeting.

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 the budget for 2013 in the light of the new strategic 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.

Property Committee

The Committee is responsible for determining the policy on all aspects of the design, construction and procurement of Maggie's building programme.

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, 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 15. 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. Laura Lee, Geoffrey Ridley, Robert Leonard, Jamie Ritblat and Ian Marchant retire by rotation in 2013 and, being eligible, offer themselves for re-election.

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

Director's 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.
- International Working Group – responsible for developing and defining Maggie's strategic approach to international development.

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.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'Nigel Cayzer', written in a cursive style.

Nigel Cayzer
Chairman

10 June 2013

President, Patrons, Directors, Officers and Contact Details

Founders

Maggie Keswick Jencks and Charles Jencks

President

HRH The Duchess of Cornwall

Patrons

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

Directors

Dr Ali Afshar (resigned 19.06.2012)
Viscountess Blakenham
Graham Cartledge CBE
Nigel Cayzer (Chairman)
Alan Eisner
Philippa Grant MBE, Countess of Dysart
Dr Charles Jencks
Laura Lee
Professor Robert Leonard
Ian Marchant
Geoffrey Ridley
Daniel Rimer
Jamie Ritblat
George Robinson
Clara Weatherall

Company Secretary

Allison Wood

Audit Committee

Ian Marchant (Chairman)
Viscountess Blakenham
Alan Eisner

Finance Committee

Ian Marchant (Chairman)
Nigel Cayzer
Alan Eisner
Laura Lee
Allison Wood

Nominations Committee

Nigel Cayzer (Chairman)
Viscountess Blakenham
Laura Lee
Jamie Ritblat

Property Committee

Dr Ali Afshar (Chairman)
Viscountess Blakenham
Glenn Burton
Laura Lee
Jamie Ritblat
Allison Wood

Remuneration Committee

Nigel Cayzer (Chairman)
Professor Robert Leonard
Ian Marchant

Executive Officers

Sarah Beard, Business Development Director
Ben Cartledge, Operations Director
Stephen George, Fundraising Director
Laura Lee, Chief Executive
Sarah Matthews, Marketing Director
Marie McQuade, Development Director (Culture and Innovation)
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

1st Floor, One Waterloo Street
Glasgow G2 6AY

London Office

2nd Floor, Palace Wharf
London W6 9HN

Auditor

Chiene + Tait
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 2012 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 pages 10 and 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 2012, 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).

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.

Independent Auditors' Report (cont'd)

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 BA CA
(Senior Statutory Auditor)

For and on behalf of
CHIENE + TAIT
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh,
EH3 6NL

23 July 2013

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 2012

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2012 £'000	Total Funds 2011 £'000
Incoming Resources						
Incoming resources from generated funds:						
Voluntary income:						
Grants and donations	2	5,659	5,449	-	11,108	10,848
Activities for generating funds:						
Running, hiking and other events		1,927	251	-	2,178	1,729
Investment income		71	-	2	73	121
Total incoming resources		7,657	5,700	2	13,359	12,698
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	3	3,114	1,019	-	4,133	3,465
Cost of fundraising events	3	1,274	-	-	1,274	1,038
Charitable activities*						
Support, advice and information	3	3,207	1,672	-	4,879	4,579
Governance costs	3	42	-	-	42	57
Total resources expended		7,637	2,691	-	10,328	9,139
Net incoming resources before transfers		20	3,009	2	3,031	3,559
Transfers between funds		2	-	(2)	-	-
Net incoming resources		22	3,009	-	3,031	3,559
Total funds at 1 January 2012		8,009	17,496	250	25,755	22,196
Total funds at 31 December 2012	11	8,031	20,505	250	28,786	25,755

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 £2.195 million (2011: £7.225 million) of capital expenditure on building new Centres as shown in note 7.

The notes starting on page 19 form part of these financial statements.

THE MAGGIE KESWICK JENCKS CANCER CARING CENTRES TRUST
(Limited by Guarantee)

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Fixed assets					
Tangible assets	7		20,702		19,184
Current assets					
Debtors	8	1,649		1,317	
Cash at bank		7,569		6,464	
		-----		-----	
		9,218		7,781	
		-----		-----	
Current liabilities					
Creditors	9	1,134		1,210	
		-----		-----	
Net current assets			8,084		6,571
			-----		-----
Total assets less current liabilities			28,786		25,755
			=====		=====
Funds					
Endowment Fund	11		250		250
Restricted Funds	11		20,505		17,496
Unrestricted Funds:					
Designated capital asset fund	11		4,734		4,649
Designated new Centres development fund	11		1,119		1,206
General fund	11		2,178		2,154
			-----		-----
			28,786		25,755
			=====		=====

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



.....
Nigel Cayzer

Director



.....
Laura Lee

Director

10 June 2013

Company Number: SC162451

The notes starting on page 19 form part of these financial statements.

THE MAGGIE KESWICK JENCKS CANCER CARING CENTRES TRUST
(Limited by Guarantee)

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2012

	Notes	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Fixed assets					
Tangible assets	7		20,702		19,184
Current assets					
Debtors	8	1,637		1,317	
Cash at bank		7,569		6,464	
		-----		-----	
		9,206		7,781	
		-----		-----	
Current liabilities					
Creditors	9	1,122		1,210	
		-----		-----	
Net current assets			8,084		6,571
			-----		-----
Total assets less current liabilities			28,786		25,755
			=====		=====
Funds					
Endowment Fund	11		250		250
Restricted Funds	11		20,505		17,496
Unrestricted Funds:					
Designated capital asset fund	11		4,734		4,649
Designated new Centres development fund	11		1,119		1,206
General fund	11		2,178		2,154
			-----		-----
			28,786		25,755
			=====		=====

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



.....
Nigel Cayzer

Director



.....
Laura Lee

Director

10 June 2013

Company Number: SC162451

The notes starting on page 19 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Net cash inflow from operations	18	2,954	3,031
Returns on investments and servicing of finance			
Interest received		82	112
		-----	-----
		3,036	3,143
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,931)	(6,554)
		-----	-----
Cash inflow/(outflow) before financing		1,105	(3,411)
		-----	-----
Increase/(Decrease) in cash in the year	19	<u>1,105</u>	<u>(3,411)</u>

The notes starting on page 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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 12 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 Company's ability to continue as a going concern and have reasonable expectation that the 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 related 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	- over 50 years
Furniture and fittings	- over 4 years
Office equipment and computer software	- over 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.

THE MAGGIE KESWICK JENCKS CANCER CARING CENTRES TRUST
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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

	Un-restricted £'000	Restricted £'000	2012 £'000	2011 £'000	
Charitable Trusts	249	1,050	1,299	2,764	
Statutory and Big Lottery Fund	-	413	413	1,655	
Local Community fundraising	2,790	231	3,021	2,455	
Companies	680	1,012	1,692	939	
Individuals	1,080	2,696	3,776	2,182	
Legacies	343	43	386	325	
People's Postcode Lottery	456	-	456	500	
Other		61	4	65	28
	<u>5,659</u>	<u>5,449</u>	<u>11,108</u>	<u>10,848</u>	

THE MAGGIE KESWICK JENCKS CANCER CARING CENTRES TRUST
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

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	2012 £'000	2011 £'000
Staff & related costs	2,900	471	3,166	-	6,537	6,020
Programme & Centre Running costs	-	-	260	-	260	248
Fundraising costs	744	717	-	-	1,461	1,007
Depreciation	47	6	624	-	677	522
Other costs	225	34	233	42	534	709
Premises and running costs	217	46	596	-	859	633
	<u>4,133</u>	<u>1,274</u>	<u>4,879</u>	<u>42</u>	<u>10,328</u>	<u>9,139</u>

4. Net incoming resources for the year

	2012 £'000	2011 £'000
This is stated after charging:		
Depreciation	677	522
Directors' remuneration	128	122
Auditor's remuneration – audit services including VAT	19	18
Auditor's remuneration – non-audit services including VAT	9	3
	<u>933</u>	<u>775</u>

Employer's pension contributions of £16,459 were paid on behalf of the Chief Executive (2011: £15,704).

5. Staff costs

	2012 £'000	2011 £'000
Salaries	5,174	4,787
Social security costs	506	473
Pension contributions	338	329
	<u>6,018</u>	<u>5,589</u>

The average number of employees during the period was 146 (2011: 134). The split of the 146 employees is as follows: 59 employees in Programme, 65 fundraising for revenue and capital, 11 in Administration and 11 in Communications.

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 £120,000 to £129,999, 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 2012 one (2011: three) Trustees were paid total expenses of £1,394 (2011: £2,173) 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 2012 (2011: £2,226).

Costs of one person who is seconded from an NHS Trust, and one person seconded from a company are included in the salary costs above. The number of other employees whose emoluments as defined for tax purposes amounted to over £60,000 in the year was as follows:

THE MAGGIE KESWICK JENCKS CANCER CARING CENTRES TRUST
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Amounts due to subsidiary undertaking	-	-	62	-
Other taxes and social security costs	197	196	197	196
Other creditors	710	906	636	906
Accruals	22	21	22	21
Deferred income	205	87	205	87
	<u>1,134</u>	<u>1,210</u>	<u>1,122</u>	<u>1,210</u>

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

Deferred income comprises:	£'000
Brought forward	87
Released to incoming resources during the year	(42)
Deferred in year	160
	<u>205</u>
Carried forward	<u>205</u>

10. Analysis of net assets between funds

	Endowment Funds £'000	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
Tangible fixed assets	-	15,968	4,734	-	20,702
Net current assets	250	4,537	1,119	2,178	8,084
	<u>250</u>	<u>20,505</u>	<u>5,853</u>	<u>2,178</u>	<u>28,786</u>

THE MAGGIE KESWICK JENCKS CANCER CARING CENTRES TRUST
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

11. Movement in funds

		At 1 January 2012 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 December 2012 £'000
Endowment fund:						
Blakenham Fund	(i)	250	2	-	(2)	250
Restricted funds:						
Centres capital funds:	(ii)					
Operational Centres		13,507	-	(578)	-	12,929
Centres under development:		3,478	4,545	(1,019)	-	7,004
Restricted revenue funds:	(iii)					
Centre programme funds		442	810	(722)	-	530
Big Lottery Fund for Maggie's London		-	79	(79)	-	-
Big Lottery Fund for Maggie's Lanarkshire		34	103	(137)	-	-
Big Lottery Fund for Maggie's Oxford		2	163	(151)	-	14
Fundraising and publicity funds		33	-	(5)	-	28
Total restricted funds		17,496	5,700	(2,691)	-	20,505
Unrestricted funds:						
Designated funds:						
Capital asset fund	(iv)	4,649	-	-	85	4,734
New Centres Development Fund:	(v)	1,206	423	(10)	(500)	1,119
General fund	(vi)	2,154	7,234	(7,627)	417	2,178
Total unrestricted funds		8,009	7,657	(7,637)	2	8,031
Total funds		25,755	13,359	(10,328)	-	28,786

The above funds carried forward at 31 December 2012 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 has been transferred to the general fund.
- (ii) **Centres Capital funds** – restricted grants and donations received which have been used to build operational Maggie's Centres and funds held for the construction of new Centres. The expenditure relates to depreciation for operational Centres and direct fundraising and construction management costs for new Centres.
- (iii) **Restricted Revenue funds** – grants and donations given for specific centre programmes, fundraising or publicity. Details are given in respect of restricted funds for the Big Lottery Fund where separate disclosure is required by them.
- (iv) **Capital Asset fund** – the net book value of general funds invested in tangible fixed assets, other than those covered by restricted funds (see (ii) above) and which are not, by the nature of fixed assets, available for use for other purposes. Transfers represent the depreciation charge for the year which was included in expenditure in the general fund.
- (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). The amount transferred will ensure that capital commitments for projects under construction can be met having taken into account pledges. The transfer represents the release to the general fund of an amount set aside in 2011 to meet the construction commitments at that time. Following successful completion of the fundraising campaign during the year commitments have now been met from the campaign.
- (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 an amount for depreciation and the

THE MAGGIE KESWICK JENCKS CANCER CARING CENTRES TRUST
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

release from the New Centres Development Fund following successful completion of the fundraising campaign.

12. 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 2013, the company had net funds of £17 as £8,200 had been transferred to the main charity as a donation for the Newcastle Centre.

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. The company was previously dormant and commenced trading during the year.

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. The net assets of the Mary Wallace Foundation were donated to Maggie Keswick Jencks Cancer Caring Centres Trust on 31 December 2012.

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 £882 were incurred on behalf of the branch and are included in Governance Costs.

13. 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. Costs of £168 have been incurred during the year in connection with an application for a Singapore trade mark and have been included within governance costs. There were no transactions with Maggie's Hong Kong in the year (2011: 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.

14. Capital commitments

	2012	2011
	£'000	£'000
Capital expenditure contracted for but not provided in the financial statements	1,759	52

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

THE MAGGIE KESWICK JENCKS CANCER CARING CENTRES TRUST
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D)

15. Other financial commitments

At 31 December 2012 the Trust had annual commitments under non-cancellable operating leases expiring as set out below:

	2012 £'000	2011 £'000
Land & buildings		
Expiring within one year	-	48
Expiring within two to five years	64	-
	<u>64</u>	<u>-</u>

Payments made under land and buildings operating leases in the year amounted to £107,000 (2011: £86,000).

Other assets

Expiring less than one year	-	6
Expiring within one to two years	8	8
Expiring within two to five years	25	22
	<u>33</u>	<u>36</u>

Payments made under other operating leases in the year amounted to £42,000 (2011: £35,000).

16. 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 £338k (2011: £329k). Pension costs outstanding at 31 December 2012 were £48k (2011: £46k).

17. 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.

18.Reconciliation of net incoming resources to net cash inflow from operations	2012 £	2011 £
Net incoming resources	3,031	3,559
Interest received	(73)	(121)
Depreciation	677	522
(Increase) in debtors	(341)	(717)
(Decrease) in creditors	(340)	(212)
	<u>2,954</u>	<u>3,031</u>
Net cash inflow from operations		

19. Analysis of movement in net funds during the year

	At 1 January 2012 £	Cashflow £	Other non-cash Changes £	At 31 December 2012 £
Cash at bank and in hand	<u>6,464</u>	<u>1,105</u>	<u>-</u>	<u>7,569</u>

maggie's