

**Annual Report
and Financial
Statements
2011**

maggie's

THE MAGGIE KESWICK JENCKS CANCER CARING CENTRES TRUST
(Limited by Guarantee)
Company number SC162451
Scottish charity registration number SC0244144

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Welcome from the Chairman of the Board of Directors

Maggie Keswick Jencks said "A diagnosis of cancer is like a punch in the stomach." We're often told that it comes as such a shock, people don't hear anything the Doctor says after the word 'cancer'. It leaves them with a new language to learn, a new normality to adjust to and its implications reach far beyond health, to things like finance, relationships and self-esteem. Maggie's Centres exist to help navigate all of this, providing emotional, practical and social support to people with cancer and their families and friends.

People tell us that they start to feel more positive the moment they arrive at Maggie's, so I am delighted to report that in 2011, we received 100,000 visitors, 10,500 of whom were people newly diagnosed and visiting a Maggie's Centre for the first time; a 30% increase on 2010.

The board takes its responsibilities for overseeing Maggie's development very seriously and for ensuring the money received from our generous donors drives our continued success. As the organisation has grown, we have sought to bring additional expertise to the board and I would like to welcome Graham Cartledge CBE, Alan Eisner, George Robinson and Clara Weatherall, all of whom were appointed to the board in 2011.

Maggie's Professional Advisory Board plays a crucial role in ensuring that our programme of cancer support receives the endorsement of clinicians. It has been joined by three new members, Dr Agusti Barnadas, Professor Lesley Fallowfield and Professor Chris Poole, and is well placed to continue its work on quality assurance and to implement our new research strategy, both of which provide on-going validation of our approach.

Despite the difficult economic environment, 2011 has been another successful year for Maggie's financially, with income increasing by 5% to £12.7m. As a result, expenditure on direct charitable activities, including building new Centres, increased 64% to £11.8 million. Of this, expenditure on our programmes of support within the Centres increased 18% to £4.6 million. We also strengthened the infrastructure which underpins future growth.

Following the success of the Joy of Living Campaign, the London Campaign has been launched due to the need for further support in this area. London has five cancer networks, each with a population of around 1.5m people, and sees 28,540 new diagnoses a year. Our ambition is to provide support for all five Cancer Networks. The next Centre will be built at St Bartholomew's Hospital, where we'll be able to help some of the most deprived and ethnically diverse communities in the UK.

We will also continue to expand our network nationally. Glasgow, Nottingham and Swansea opened in 2011. We intend to start construction in Oxford, Newcastle, Aberdeen and Lanarkshire in 2012 and Centres for Manchester, Leeds, Southampton and Cardiff are all in discussion. The Hong Kong Centre, which is being built in association with the Keswick Foundation, is due to open later this year and discussions have started to open a Centre in Barcelona in association with the Hospital de Sant Pau.

Maggie's has developed the concept of creating local Associate Boards to assist with the fundraising when a Centre is being developed and then maintaining a vital link with local communities once the Centre is open and operating. At the beginning of 2012, we established our National Forum for the Chairman of the local Boards. For Maggie's, this forum is an important way for a vital group of key supporters to meet and share knowledge, experiences and success stories with each other and the Maggie's executive team. It will further promote the great work that Maggie's does, locally, regionally and nationally.

A huge number of people support Maggie's, and one of the duties that gives me the greatest pleasure is to be able to thank our incredible supporters who bike, hike, run, bake and do so much more to support Maggie's year in, year out.

I would also like to thank our President, Her Royal Highness The Duchess of Cornwall; a passionate and committed supporter and our many donors large and small. Every donation makes a difference but we have been very lucky to have enjoyed support over 5 years from Walk the Walk and over 4 years from the People's Postcode Lottery for which we are very grateful. The Big Lottery Funds continues to support our endeavours and in the last year, they have assisted our London Centre and Oxford interim service.

As ever, I would like to thank the members of the Board and all the members of our Campaign and Associate Boards for all their help. I would like to thank Chief Executive, Laura Lee, her executive team and all the staff of Maggie's for their efforts throughout the year. Our continued success is a tribute to the hard work of everyone involved.

We look to the future with confidence and hope. The need for support is greater than ever, to help us extend our reach and achieve our ambition of offering support to everyone with cancer in the UK.

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

Nigel Cayzer

Report from the Chief Executive

We were able to help more people with cancer than ever before in 2011, which when you hear testimonies like this one from Rani Shukla who used our London Centre, is heart-warming news; “When I first entered a Maggie’s Centre, I had just been diagnosed with breast cancer and was in a chasm of fear and uncertainty. Having a Centre within easy reach has been vital to helping me cope.”

Our research backs up what people like Rani tell us: 99% found our support helpful and 92% said they felt less alone as a result of visiting Maggie’s – particularly important in light of recent research into the impact of loneliness on health.

Consequently, we remain committed to our core values. People with cancer are at the heart of everything we do. We believe that professional emotional and psychological support can change the way people live with cancer. We help people overcome the isolation and despair caused by cancer. And we care for the people who use our Centres, those who work with us and those who support us.

Our current five year plan, Expanding the Network 2010-2014, sets out five key objectives, which are summarised in the Directors’ Report later in this document. We made great progress against these in 2011 and have taken a number of steps to ensure we are in an even better position to sustain that success in 2012.

We have refreshed the Maggie’s brand to make it easier for people to understand what we do and how we do it so that more people with cancer, their family and friends can benefit from the services that we offer.

We continue to invest and strengthen our fundraising to ensure we are able to continue our growth. Over the year we have reorganised our fundraising team structure to deliver our strategy to build and sustain our Centres. In a challenging economic climate, we have maintained our position whilst we invest for the future.

Against our target for 2014 of having 15 Centres and a further 8 Centres in development, by the end of 2011, we had expanded our network to 13 Centres (including 3 interim services) with construction due to start on 4 Centres and planning underway on a further 7 Centres.

In addition, our Online Centre has gone from strength to strength. We have appointed a full time Cancer Support Specialist who, together with our psychologists, is increasing the level of support offered online. Our online presence will be a particular focus as we seek to reach more people with cancer across the UK. To support this work and our growing organisation, we have appointed a new Operations Director and dedicated Property Director.

In response to successes of the last year, the positive developments within the organisation and proposed changes to the NHS, we will develop a new strategic plan during 2012. In the meantime we have set comprehensive targets for the coming year against our existing plan.

As we continue to grow, the generosity of our donors and supporters remains crucial so that we can continue to support people already using our Centres and open more Centres to help more people with cancer and their families and friends. I am continually inspired by the dedication and passion of our supporters, without whom none of this would be possible, so I would like to say thank you; from me, from all our staff, and from the people who use our Centres every day.



Laura Lee

Financial Highlights of the Year

Charitable Trusts, Companies & Statutory

£5,358,000

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.

Local Community Fundraising

£2,455,000

This includes income from volunteers and supporters who run events and fundraise locally in their community around our centres.

Individuals

£2,210,000

This is income from our regular givers and major donors.

People's Postcode Lottery

£500,000

This is the charitable support we receive from the People's Postcode Lottery.

Legacies

£325,000

This is money that people leave us in their wills.

Bank Interest and Other

£121,000

This is interest receivable from our bank accounts and other small grants.

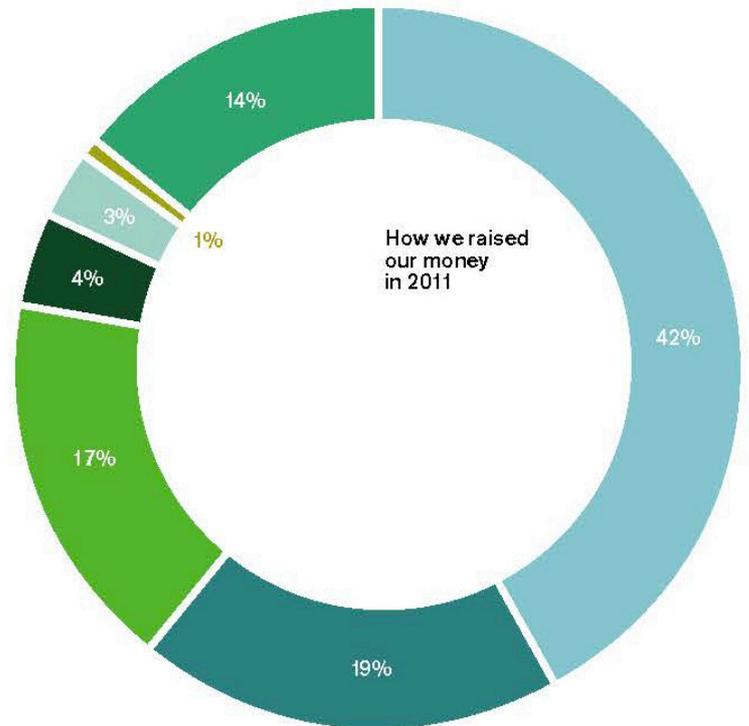
Activities for generating funds

£1,729,000

This includes income from our biking, hiking and running events. Also included is income from dinners and balls.

Total Income

£12,698,000



Activities to help people affected by cancer

£11,804,000

This includes the cost of building new centres and refurbishing and upgrading existing centres - £7,225,000. It also includes the cost of running our centres and providing the programme of support both within the centres and online - £4,579,000.

Costs of generating income

£3,465,000

This is the cost of receiving and attracting voluntary donations, new supporters and our fundraising activities. These are our main source of funds.

Cost of fundraising events

£1,038,000

This is the cost of organising our running, hiking and biking events. Also included are the costs of fundraising dinners and balls. More and more of our events are being sponsored by our generous corporate partners such as Delancey.

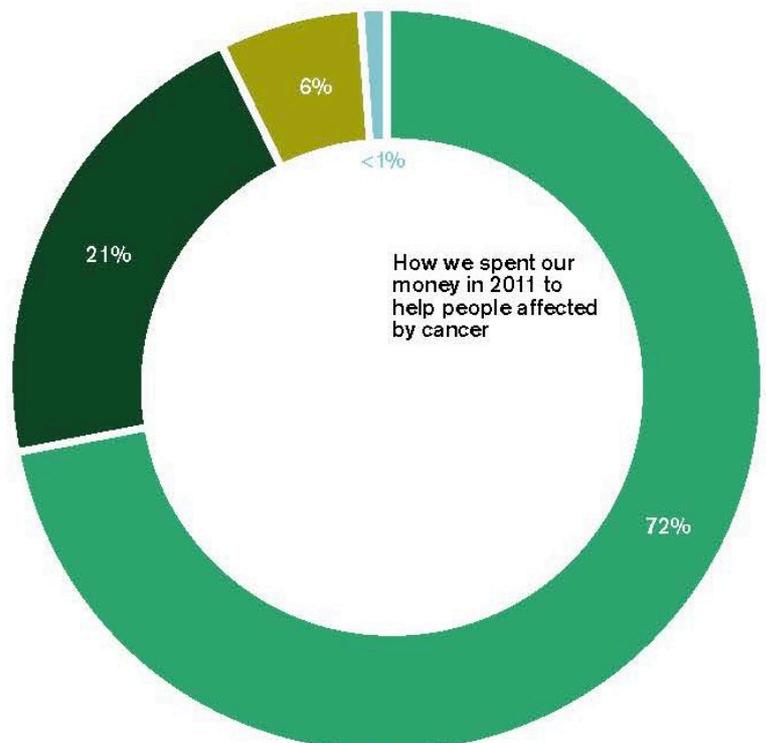
Cost of governance

£57,000

This includes costs to meet statutory requirements such as audit fees.

Total Expenditure

£16,364,000



Directors' Report

Introduction

The Directors are pleased to present their Report and Financial Statements for the year ended 31 December 2011.

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 charitable company 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.

Maggie's vision and values

Maggie's unique model of psychological support transforms the way that people live with cancer. We want everyone in the UK who needs it to have access to this support. We aim to be recognised as the leading network of centres providing support to people living with, through and beyond cancer.

Our values:

- People affected by cancer are at the heart of all we do
- Professional emotional and psychological support can change the way people live with cancer
- We work together to help people overcome the isolation and despair caused by a cancer diagnosis
- We care for the people who use our Centres, those who work with us and those who support us

Current Five year plan

Our current five year plan, Expanding the network 2010-2014, sets out five key objectives:

1. To increase the awareness of our existence amongst the general public and demonstrate the value of our activities to our stakeholders
2. Consistently provide a professional and evidence based cancer support programme that is widely accessible free and valued
3. 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
4. To deliver increasing and more sustainable levels of income with an increasing return on investment to ensure ongoing financial stability and future growth in line with our five year ambitions
5. To recruit, retain and develop teams of suitably skilled and motivated staff, who consider themselves to be valued and well managed

Achievements during 2011

As shown by our Highlights for the Year on the previous page, our overall success can be seen by the continued demand for our programme and by the support and commitment received in raising the funds required to ensure its continued provision. In 2011, Maggie's made significant progress towards achieving the five key objectives set out in our current five year plan:

1. To increase the awareness of our existence amongst the general public and demonstrate the value of our activities to our stakeholders

During 2011, we:

- Developed refreshed brand guidelines, reflecting the unique qualities of Maggie's
 - Developed cultural partnerships with leading institutions such as Royal Society of Medicine
 - Held our first national exhibition at the V&A, which transferred to the Lighthouse in Glasgow
2. To consistently provide a professional and evidence based cancer support programme that is widely accessible, free and valued by those who use it

During 2011, we:

- Implemented and evaluated two new programmes; Getting started with cancer treatment and Where now?
- Increased total activity by 19%
- Supported 3% of the newly diagnosed cancer population in the UK.
- Implemented a stress management study in collaboration with Loughborough University
- Increased activity in target areas such as lung, lower gastro intestinal (GI), upper GI, prostate and bladder cancers across all our Centres

3. 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

During 2011, we:

- Opened three new purpose built centres; Swansea, Nottingham and Gartnavel
- Strengthened the property function through the appointment of a Head of Property
- Approved six sites for development
- Approved an international branch structure to develop Maggie's Barcelona

4. To deliver increasing and more sustainable levels of income, to fund future growth and ensure financial stability

During 2011, we:

- Concluded our highly successful Joy of Living Appeal
- Put a new experienced fundraising management team in place
- Adopted an engagement approach to fundraising along side an enhanced fundraising support strategy
- Reformed our fundraising infrastructure and are restructuring community and major giving teams
- Increased legacy engagement via Remember a Charity
- Researched and tested our regular giving propositions and products
- Established new corporate partnerships and introduced Tribute Funds

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

During 2011, we:

- Developed and implemented an occupational health framework
- Developed and implemented standard operating procedures, strengthening our Staff and Resources function
- Implemented a Protection of Vulnerable Adults procedure

Targets for 2012

Given the success of Maggie's since our current 5-year plan was prepared, and in response to the needs of people with cancer and the external environment, during the next 12 months we will be developing a new strategic plan. However, for 2012, we have set following targets, which are based on our current five year plan:

1. To increase the awareness of our existence amongst the general public and demonstrate the value of our activities to our stakeholders

During 2012, we will:

- Implement our new brand guidelines and articulate Maggie's as an expert and leader in cancer care and design through all communications.
- Target to reach an average of 20 million people per quarter
- Develop a relationship-led approach to all stakeholder management
- Establish three new media campaigns
- Increase new online centre members and unique visits to the site by 15% and develop our plan for a fully integrated online site

2. To consistently provide a professional and evidence based cancer support programme that is widely accessible, free and valued by those who use it

During 2012, we will;

- Deliver total activity of 105,000 visits
- Provide support to at least 12,000 people newly presenting to Maggie's with a diagnosis of cancer and to at least 6,000 new carers

- Complete and publish studies on our stress management programme and barriers to access
- Review our Quality Assurance framework and implement any recommended changes

3. 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

During 2012, we will:

- Complete capital fundraising and commence construction of up to four new centres
- Achieve RIBA stage D (submission of planning application) on at least four further centres
- Establish one new interim service
- Develop plans for the redevelopment of our online centre
- Develop existing and new collaborative relationships with other cancer charities, independent providers, the NHS and local government

4. To deliver increasing and more sustainable levels of income, to fund future growth and ensure financial stability

During 2012, we will:

- Deliver the revenue income budget of £9m,
- Increase the level of committed support and funds by 25% overall
- Establish a corporate partnerships strategy increasing corporate income by 31% in 2012
- Establish a centre fundraising strategy to maximise awareness, engagement and support
- Develop and improve infrastructure to support effective fundraising and improve net contribution
- Implement the engagement and fundraising principles to all staff
- Introduce a legacy conversation strategy and training programme to engage staff and supporters
- Develop plans for investment and acquisition

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 will:

- Establish and implement a framework to support performance management
- Undertake an employee survey
- Evaluate the effectiveness of our induction programme

Financial Review

Financial Overview

2011 was a good year for Maggie's despite the very challenging economic environment. We increased total income by 5% to £12.7 million enabling us to progress our plan to increase the number of Maggie's Centres and thereby extend our programme of support to meet the needs of the growing number of people affected by cancer.

During the year we completed construction of three new Maggie's Centres in Nottingham, Swansea and Glasgow at Gartnavel Hospital and increased the number of visits to a Maggie's Centre by 19% to 96,882 visits. As a result, expenditure on Direct Charitable Activities, including building new Centres, increased in the year to £11.8 million. Expenditure on our programme of support within the Centres increased 18% to £4.6 million.

As we continue to expand our support and build new Centres reaching more people with cancer our charitable expenditure will continue to grow. We invested 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 7% 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.

Incoming resources

Total incoming resources in the year were a record £12.7 million. Voluntary income grew by 8% to £10.8 million. Of this £4.3 million (2010 : £4.5 million) was raised through our capital campaigns.

Income from statutory and Big Lottery Funds more than doubled to £1.65 million in the year. These grants 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 individuals reduced by £1.1 million which is a reflection of the timing of donations made for our capital campaigns, as this income largely comprises a small number of very large donations specifically for campaign purposes. Income from Charitable Trusts and Foundations increased by 18%, and was predominantly income donated towards capital campaigns.

Income from the communities around our Centres increased during the year showing just how integral the Maggie's Centre is to its local community and all the more remarkable given the difficult economic environment.

Legacy income can fluctuate from year to year and although income from this source fell during the year the overall trend is that it is growing. We continue to invest in this area of fundraising to ensure sustainable growth over the longer term.

Income from Companies grew significantly during the year as a result of the number of corporate partners increasing. We are particularly grateful for the partnership which has started with HSBC who are supporting us to develop a number of new Centres.

Maggie's also generates funds through mass participation running, hiking and walking events and high value fundraising events. The mass participation events suffered in the year as the number of participants fell due to fierce competition and the difficult economic climate. We did however hold a hugely successful Autumn Party which increased its income significantly on the previous year.

£4.3 million (2010: £4.5 million) was raised in the year specifically for capital purposes. £3.4 million of this was the final fundraising efforts to complete the campaigns for the new Centres in Swansea, Nottingham and Glasgow Gartnaveil which opened in the year. £823,000 was raised within the campaigns for new Centres in Aberdeen, Newcastle, Lanarkshire and Oxford. We hope to complete these campaigns and begin construction in 2012.

At the end of 2011 income (restricted and designated) for our current capital campaigns stood at:

	Cash £'000	Pledges £'000	Total £'000
Aberdeen	467	905 ¹	1,372
Barts (East London)	500	0	500
Forth Valley (Larbert)	0	2,140	2,140
Lanarkshire	1,163	841 ¹	2,004
Manchester	0	1,250	1,250
Newcastle	2,007	56	2,063
Oxford	1,402	729	2,131
	5,539	5,921	11,460

¹ The pledges for these campaigns represent amounts raised by the Elizabeth Montgomery Foundation and held in an account with the Scottish Community Foundation pending the award to Maggie's

Expenditure

Revenue expenditure increased by £1 million to £9.1 million and, together with expenditure on building new Centres (£7.2 million), resources spent on direct charitable activities increased to £11.8 million or, 72% of total resources spent.

Analysis of Charitable expenditure:

	2011 £'000	2010 £'000
Support, advice and information	4,579	3,881
Building centres	7,225	3,320
Total	11,804	7,201

Expenditure on support, advice and information was increased by 18% to £4.6 million. We opened three new Centres during the year in Swansea, Nottingham and Glasgow Gartnavel. The increase reflects the cost of running our programme of support within those Centres. Additionally, we had a full year running cost of our Cheltenham centre which opening during the previous year. At the same time we have also increased welfare benefits and cancer information and support in our West London centre due to overwhelming demand for our support in the centre. As a result of all of these initiatives the number of visits increased by 19% during 2011.

Capital expenditure in the year was £7.2 million. We completed the construction of Maggie's Swansea, Nottingham and Glasgow Gartnavel at a total cost of £8.1 million, of which £6.2 million was incurred during 2011. We also incurred £560,000 of preliminary works and professional fees for planned Centres in Aberdeen, Oxford, Newcastle and Lanarkshire, £54,000 of improvements to the Edinburgh centre and various other additions to furniture, equipment and artwork for operational Centres totaling £104,000 was made. At the end of the year we had capital commitments of £52,000 representing professional fee contracts for the development of planned future Centres.

The cost of generating voluntary income (excluding fundraising event costs) increased by 5% to £3.5 million. Our investment in fundraising has been across all areas and in all ways, from investing in new people in newly organised teams with new infrastructure, developing a longer term strategy, and building activity and products to sustain and grow income. This has been taking place against the need to continue to finish current campaigns, raise increased revenue and begin new campaigns in a challenging climate.

We remain focused on improving net income after fundraising costs as we grow our revenue streams, some of which takes time to establish. In events, the increase in costs to £1.04 million is due to strengthening of staff resources and increased marketing. The current events market is experiencing a downturn across most charities and our recruitment numbers were down across the board resulting in a reduction in income. The longer term strategy seeks to address this whilst protecting as best we can the much needed short term income.

Governance costs include the cost of audit, legal and statutory compliance. These costs increased during the year due to the legal costs of establishing a branch of Maggie's in Barcelona.

Net Incoming resources for the year

The net incoming resources in the year were £3.6 million (2010: £3.9 million). The unrestricted net incoming resources were £42k (2010: £31k) and the restricted net incoming resources were £3.5 million comprising income donated specifically for capital purposes that will be spent in future years.

Reserves Policy

General reserves are funds that are readily realisable and excludes 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 the centre buildings.

Each year the Directors review the amount of money that is set aside in the general reserve fund. In making this assessment they consider the risks of a shortfall in income or unexpected increase in cost, the planned building maintenance programme and future expansion of the charities activities.

The Directors have therefore agreed a reserves requirement of £2.2 million for 2012 which represents 3 months of cash revenue costs for 2012. At 31 December 2011 the actual level of reserves were in line with the required level at £2.154 million.

In addition Maggie's has set up 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 £4.6 million.

The New Centres Development Fund totals £1.2 million, and consists of money received and designated to the construction of new centres outlined in our strategic plan. This fund also includes £500k for upgrading and refurbishing our existing centres and preliminary capital costs of the new centres if they are not raised in advance.

The total funds at the end of 2012 were £25.8 million, of which £19.2 million were held as fixed assets and £6.6 million were net current assets, of which £6.5 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 £121k (2010: £94k).

Taxation

The Trust 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. The Executive Management team 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 and the impact of the economic environment;
- 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 the Executive Management team. 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 on 3 January 1996 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 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 back 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. This increase is intended to be temporary and will be reviewed in one year.

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.

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.

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.

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. Four additional Directors were appointed as co-opted Directors during the year.

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. Viscountess Blakenham, Nigel Cayzer, Philippa Grant MBE, Countess of Dysart and Charles Jencks retire by rotation in 2012 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 team. 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.
- National Campaign Board – responsible for monitoring, advising and supporting the Joy of Living Campaign.
- 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 incoming resources and application of resources, including the net income and expenditure, of the charitable company 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 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 charitable company 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



Nigel Cayzer
Chairman

19 June 2012

Patron, Directors, Officers, Professional Advisers 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
Viscountess Blakenham (Vice-Chairman)
Graham Cartledge CBE (appointed 15.09.11)
Nigel Cayzer (Chairman)
Alan Eisner (appointed 14.06.11)
Philippa Grant MBE, Countess of Dysart
Dr Charles Jencks
Laura Lee
Professor Robert Leonard
Ian Marchant
Geoffrey Ridley
Daniel Rimer
Jamie Ritblat
George Robinson (appointed 14.06.11)
Clara Weatherall (appointed 14.06.11)

Company Secretary

Allison Wood

Audit Committee

Ian Marchant (Chairman)
Viscountess Blakenham
Alan Eisner

Property Committee

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

Remuneration Committee

Nigel Cayzer (Chairman)
Ian Marchant
Professor Robert Leonard

Nominations Committee

Nigel Cayzer (Chairman)
Viscountess Blakenham
Laura Lee
Jamie Ritblat

Executive Officers

Sarah Beard, Business Development Director
Ben Cartledge, Operations Director
Stephen George, Fundraising Director
Laura Lee, Chief Executive

Executive Officers (continued)

Marie McQuade, Communications Director
Ann-Louise Ward, Programme Director
Allison Wood, Finance Director

Contact Details

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

Bankers

Bank of Scotland
38 St Andrew Square
Edinburgh EH2 2YR

HSBC Bank plc
1 Beadon Road
London W6 0EA

The Royal Bank of Scotland plc
142-144 Princes Street
Edinburgh EH2 4EQ

Santander UK plc
2 Triton Square
Regent's Place
London NW1 3AN

Aviva Liquidity Funds plc
Wexford Business Park,
Rochestown, Drinagh
Wexford, Ireland

Solicitors

Turcan Connell WS
Princes Exchange
1 Earl Grey Street
Edinburgh EH3 9EE

Shepherd & Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

Mishcon De Reya
Summit House
12 Red Lion Square
London WC1R 4QD

Auditor

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

Independent Auditor's Report

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

We have audited the financial statements of the Maggie Keswick Jencks Cancer Caring Centres Trust for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 12 and 13, the directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 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 charitable company's affairs as at 31 December 2011, and of its 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 regulation 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.

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 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 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

Malcolm Beveridge

17 July 2012

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2011 £'000	Total Funds 2010 £'000
Incoming Resources						
Incoming resources from generated funds:						
Voluntary income:						
Grants and donations	2	4,306	6,542	-	10,848	10,055
Activities for generating funds:						
Running, hiking and other events		1,726	3	-	1,729	1,924
Investment income		118	-	3	121	94
Total incoming resources		6,150	6,545	3	12,698	12,073
Resources expended						
Costs of generating funds						
Costs of generating voluntary income						
Cost of fundraising events	3	3,283	182	-	3,465	3,290
Charitable activities*						
Support, advice and information	3	1,733	2,846	-	4,579	3,881
Governance costs	3	57	-	-	57	38
Total resources expended		6,111	3,028	-	9,139	8,136
Net incoming resources before transfers		39	3,517	3	3,559	3,937
Transfers between funds		3	-	(3)	-	-
Net incoming resources		42	3,517	-	3,559	3,937
Total funds at 1 January 2011		7,967	13,979	250	22,196	18,259
Total funds at 31 December 2011	11	8,009	17,496	250	25,755	22,196

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 £7.225 million (2010: £3.320 million) of capital expenditure on building new centres as shown in note 7.

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

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Fixed assets					
Tangible assets	7		19,184		12,481
Current assets					
Debtors	8	1,317		592	
Cash at bank		6,464		9,875	
		<u>7,781</u>		<u>10,467</u>	
Current liabilities					
Creditors	9	<u>1,210</u>		<u>752</u>	
Net current assets			6,571		9,715
Total assets less current liabilities			<u>25,755</u> =====		<u>22,196</u> =====
Funds					
Endowment Fund	11		250		250
Restricted Funds	11		17,496		13,979
Unrestricted Funds:					
Designated capital asset fund	11		4,649		3,172
Designated new centres development fund	11		1,206		1,715
General fund	11		2,154		3,080
			<u>25,755</u> =====		<u>22,196</u> =====

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



.....
Nigel Cayzer

Director



.....
Laura Lee

Director

19 June 2012

Company Number: SC162451

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £'000	2011 £'000	2010 £'000	2010 £'000
Net cash inflow from operations	18		3,031		4,586
Returns on investments and servicing of finance					
Interest received		112		85	
		<u> </u>	3,143	<u> </u>	4,671
Capital expenditure and financial investment					
Purchase of tangible fixed assets			(6,554)		(3,320)
			<u> </u>	<u> </u>	
Cash (outflow)/inflow before financing			(3,411)		1,351
			<u> </u>	<u> </u>	
(Decrease)/increase in cash in the year	19		(3,411)		1,351
			<u> </u>	<u> </u>	
			=====	=====	

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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

The financial statements represent the financial statements of Maggie Keswick Jencks Cancer Caring Centres Trust. The subsidiary undertakings as shown at note 12 are dormant. As a result, they have not been consolidated on the grounds of immateriality.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

1. Accounting policies (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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

2. Incoming resources from generated Funds

	Un-restricted £'000	Restricted £'000	2011 £'000	2010 £'000
Charitable Trusts	66	2,698	2,764	2,335
Statutory and Big Lottery Fund	-	1,655	1,655	791
Local Community fundraising	2,303	152	2,455	2,252
Companies	396	543	939	278
Individuals	1,211	971	2,182	3,288
Legacies	314	11	325	408
People's Postcode Lottery	-	500	500	655
Other	16	12	28	48
	<u>4,306</u>	<u>6,542</u>	<u>10,848</u>	<u>10,055</u>
	=====	=====	=====	=====

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	2011 £'000	2010 £'000
Staff & related costs	2,578	388	3,054	-	6,020	5,138
Programme & Centre						
Running costs	-	-	248	-	248	240
Fundraising costs	424	583	-	-	1,007	1,183
Depreciation	45	7	470	-	522	476
Other costs	271	43	338	57	709	610
Premises and running costs	147	17	469	-	633	489
	<u>3,465</u>	<u>1,038</u>	<u>4,579</u>	<u>57</u>	<u>9,139</u>	<u>8,136</u>
	=====	=====	=====	=====	=====	=====

4. Net incoming resources for the year

	2011 £'000	2010 £'000
This is stated after charging:		
Depreciation	522	476
Directors' remuneration	122	120
Auditor's remuneration – audit services including VAT	18	18
Auditor's remuneration – non-audit services including VAT	3	3

Employer's pension contributions of £15,704 were paid on behalf of the Chief Executive (2010: £14,740).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

5. Staff costs	2011	2010
	£'000	£'000
Salaries	4,787	4,070
Social security costs	473	389
Pension contributions	329	273
	-----	-----
	5,589	4,732
	=====	=====

The average number of employees during the period was 134 (2010: 118). The split of the 134 employees is as follows: 58 employees in Programme, 44 fundraising for revenue, 13 fundraising for capital, 11 in Administration and 8 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 2011 three (2010: two) Trustees were paid total expenses of £2,173 (2010: £3,131) 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 £2,226 for the year to 31 December 2011 (2010: £2,205).

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:

	2011	2010
	Number	Number
£ 60,000 - £69,999	4	3
£ 70,000 - £79,999	2	2
£ 80,000 - £89,999	1	-
£110,000 - £120,000	2	-
	=====	=====

These employees have retirement benefits accruing under a defined contribution scheme. Contributions totalling £50,161 were made in the year (2010: £26,267).

	2011	2010
	Number	Number
Number of employees with retirement benefits accruing under:-		
Defined contribution schemes	75	69
	=====	=====
NHS Superannuation scheme	32	28
	=====	=====

6. Taxation

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

7. Fixed Assets

	Freehold Land & Buildings £'000	Tenants Improve- ments £'000	Furniture and Fittings £'000	Office Equipment & Computer Software £'000	Total £'000
Cost					
At 1 January 2011	2,187	11,270	551	644	14,652
Additions	(7)	6,942	242	48	7,225
Disposals	-	(22)	(22)	(25)	(69)
At 31 December 2011	<u>2,180</u>	<u>18,190</u>	<u>771</u>	<u>667</u>	<u>21,808</u>
Depreciation					
At 1 January 2011	-	1,212	458	501	2,171
Charge for year	43	310	64	105	522
Disposals	-	(22)	(22)	(25)	(69)
At 31 December 2011	<u>43</u>	<u>1,500</u>	<u>500</u>	<u>581</u>	<u>2,624</u>
Net book value					
At 31 December 2011	<u>2,137</u>	<u>16,690</u>	<u>271</u>	<u>86</u>	<u>19,184</u>
At 31 December 2010	<u>2,187</u>	<u>10,058</u>	<u>93</u>	<u>143</u>	<u>12,481</u>

8. Debtors

2011 2010
£'000 £'000

Other debtors and prepayments	1,317	592
	<u>=====</u>	<u>=====</u>

Debtors include accrued legacy income, grants, gift aid and bank interest receivable at 31st December 2011.

9. Creditors

2011 2010
£'000 £'000

Other taxes and social security costs	196	164
Other creditors	906	517
Accruals	21	21
Deferred income	87	50
	<u>1,210</u>	<u>752</u>
	<u>=====</u>	<u>=====</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

10. Analysis of net assets between funds

	Endowment Funds £'000	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
Tangible fixed assets	-	14,535	4,649	-	19,184
Net current assets	250	2,961	1,206	2,154	6,571
	=====	=====	=====	=====	=====
	250	17,496	5,855	2,154	25,755
	=====	=====	=====	=====	=====

11. Movement in funds

	At 1 January 2011 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 December 2011 £'000
Endowment fund:					
Blakenham Fund (i)	250	3	-	(3)	250
	=====	=====	=====	=====	=====
Restricted funds:					
Centres capital funds:					
Operational Centres (ii)	7,078	-	(366)	6,795	13,507
Centres under development:	6,703	4,270	(700)	(6,795)	3,478
	=====	=====	=====	=====	=====
Restricted revenue funds:					
Centre programme funds (iii)	113	1,866	(1,537)	-	442
Big Lottery Fund for Maggie's London	-	84	(84)	-	-
Big Lottery Fund for Maggie's Lanarkshire	31	137	(134)	-	34
Big Lottery Fund for Maggie's Oxford	6	128	(132)	-	2
Big Lottery Fund for Maggie's S W Wales	13	60	(73)	-	-
Fundraising and publicity funds	35	-	(2)	-	33
	=====	=====	=====	=====	=====
Total restricted funds	13,979	6,545	(3,028)	-	17,496
	=====	=====	=====	=====	=====
Unrestricted funds:					
Designated funds:					
Capital asset fund (iv)	3,172	-	-	1,477	4,649
New Centres Development Fund: (v)	1,715	798	(117)	(1,190)	1,206
General fund (vi)	3,080	5,352	(5,994)	(284)	2,154
	=====	=====	=====	=====	=====
Total unrestricted funds	7,967	6,150	(6,111)	3	8,009
	=====	=====	=====	=====	=====
Total funds	22,196	12,698	(9,139)	-	25,755
	=====	=====	=====	=====	=====

The above funds carried forward at 31 December 2011 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. The transfer relates to the net book value of the restricted part of the capital asset for a centre where construction was completed during the year and that centre became operational.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

11. Movement in funds (cont'd)

- (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 and funds that had been set aside in the New Centres Development Fund and transferred into the Capital Asset Fund to fund construction costs.
- (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 New Centre Development Fund represents an amount set aside to fund preliminary costs for developing other potential future centres and to refurbish or upgrade facilities at existing centres. The transfer represents the amount spent on fixed asset purchases, upgrading of drainage works at the Edinburgh Centre and preliminary costs for new centres being developed.
- (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 the amount required to meet some upgrading and refurbishment for existing centres and preliminary capital costs of new centres if they are not raised in advance.

12. Subsidiary Companies

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

The Maggie Keswick Jencks Cancer Caring Centres Trust (Dundee);
The Maggie Keswick Jencks Cancer Caring Centres Trust (Glasgow); and
Maggie's Trading Limited.

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 2012, the company had net funds of £8,233.

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 £1,023 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 (2010: nil).

On 15 September 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. Legal and professional fees incurred in setting up the branch of £11,540 have been included with governance costs. Funding arrangements are in place to support international development. There were no further transactions with or on behalf of Delegation of Maggie's Foundation during the year to 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

13. Related Party transactions (Cont'd)

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	2011 £'000	2010 £'000
Capital expenditure contracted for but not provided in the financial statements	52	5,231
	=====	=====

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

15. Other financial commitments

At 31 December 2011 the Trust had annual commitments under non-cancellable operating leases expiring as set out below:

	2011 £'000	2010 £'000
Land & buildings		
Expiring within one year	48	8
Expiring within one and two years	-	64
	=====	=====

Payments made under land and buildings operating leases in the year amounted to £86k (2010: £93k).

Other assets

Expiring less than one year	6	-
Expiring within one to two years	8	9
Expiring within two to five years	22	22
	-----	-----
	36	31
	=====	=====

Payments made under other operating leases in the year amounted to £35k (2010: £38k).

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 £329k (2010: £273k). Pension costs outstanding at 31 December 2011 were £46k (2010: £37k).

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

18. Reconciliation of net incoming resources to net cash inflow from operations

	2011 £	2010 £
Net incoming resources	3,559	3,937
Interest received	(121)	(94)
Depreciation	522	476
(Increase)/Decrease in debtors	(717)	30
(Decrease)/Increase in creditors	(212)	237
	-----	-----
Net cash inflow from operations	3,031	4,586
	=====	=====

19. Analysis of movement in net funds during the year

	At 1 Jan 2011 £	Cashflow £	Other Non-cash Changes £	At 31 Dec 2011 £
Cash at bank and in hand	9,875	3,411	-	6,464
	=====	=====	=====	=====

maggie's