

Annual Report
and Financial
Statements
2016

maggie's

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

Index to annual report and financial statements

Welcome from the Chairman of the Board of Directors	1
Report from the Chief Executive	2
Directors' report	3
Strategic report	8
President, Patrons, Directors and Officers	13
Independent Auditor's report	14
Consolidated statement of financial activities	16
Consolidated balance sheet	17
Company balance sheet	18
Consolidated and company statement of cash flows	19
Notes to the financial statements	20

Welcome from the Chairman of the Board of Directors

In 2016, Maggie's celebrated 20 years of supporting people with cancer. Since we opened our first Maggie's Centre in Edinburgh in 1996, we've grown our presence, reach, reputation and the number of people we support. Today we have a network of 20 Centres across the UK, online and abroad, and since 1996 have had more than a million visits to our Centres.

More people than ever need the support Maggie's provides: there are two million people living with or after cancer in the UK, a figure which is steadily rising. Every year, 300,000 people across the UK are diagnosed with cancer, and they urgently need care and support. We want to be there for everyone who needs us – and it is this that drives our ambition to increase the number of Maggie's Centres and the number of people each of our Centres supports.

In 2016 we supported some 220,000 visits to our Centres – 53,000 were from first-time visitors to a Maggie's Centre, and there were 10% more visits than the previous year.

In 2016 our income grew to £20.5m, which enabled us to increase expenditure on our programme of support. The year also saw significant progress in our plans to grow our network of Centres. We began construction on a new Maggie's Centre in Oldham, and continued construction of Maggie's at Barts Hospital in the City of London and Maggie's Forth Valley ahead of their opening in 2017.

Campaigns are gathering pace for further new Centres, extending the regions where people can access help and support from Maggie's. We opened our new Centre in Manchester at the Christie, where 16,000 people are diagnosed with cancer each year.

We all know people who have been diagnosed with cancer and the devastating and disruptive effect this can have on them and their family and friends. As I visit Maggie's centres up and down the country I am struck time and again by the power of the stories I hear of the work our great staff and volunteers do. This annual report necessarily focusses on our finances, but these are only the means by which we provide this vital cancer support.

I would like to express my gratitude to those who have supported us so generously once again in 2016. We are very grateful to Walk the Walk and People's Post Code Lottery for their significant and ongoing contribution, helping us to deliver our programme of support and expand our network of Centres. And we remain extremely thankful to HSBC, whose contribution to our campaigns and continued support is appreciated.

We are hugely grateful to our President, HRH The Duchess of Cornwall, who remains so passionate and committed to Maggie's. The Duchess has now visited most of our UK Centres, and her visits have brought great joy to many of the people who use Maggie's.

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

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



Ian Marchant

Report from the Chief Executive

Maggie's saw significant development in 2016, building on our programme of support and opening a new Centre at The Christie in Manchester, one of Europe's largest cancer hospitals. We also progressed the building of several new Maggie's Centres, to the point where we are looking forward to opening our 22nd operational Centre in 21 years in 2017. Delivering a programme of exceptional quality remains our focus as we grow, and I'm pleased to say that in 2016 people continued to tell us that they value our programme of support highly, with 100% of visitors giving a positive rating of their experience. This report sets out the organisations key achievements in 2016 and looks ahead to our plans for the coming year.

In 2016, we achieved our ambition to make a positive difference to the lives of more people with cancer than ever before, including more people newly diagnosed with cancer. 2016 was also a year of substantial growth activity, as we made strong progress towards the ambition set out in our development plan. As well as opening a new Centre in Manchester, enabling us to extend our professional programme of support to more people with cancer and their families across the North West of England, in 2016 we began construction of a new Maggie's Centres at Oldham as well as continuing with construction of two centres at Barts Hospital in London and at Forth Valley Royal Hospital ahead of their opening in early 2017. We also opened our second international centre, Maggie's Tokyo.

Our growth plans are underpinned by a commitment to growing and deepening a professional, evidence-based programme of exceptional quality, ensuring that it continues to evolve to keep pace with changes in prevalence of cancer and cancer treatment. During 2017 we will continue to deliver high-quality care and support with a focus on developing a dedicated programme for people over the age of 75, supporting more men and continuing to develop our evidence on the positive effect our support has on people with cancer. 2016 also saw us develop and restructure our operations, so that we can ensure that while we grow, we can deliver the same consistently outstanding level of support.

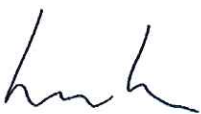
Our ambitions are driven by the ever-growing need for cancer support. Despite many breakthroughs in cancer treatment and care during the last two decades, by 2020 it is expected that almost half of people in the UK will have cancer at some point in their lifetime, putting extra pressure on the NHS. The majority of these people need practical, emotional and social support to complement the excellent medical treatment the NHS provides, and this is what remains at the forefront of our minds as we progress the plans set out in Maggie's development plan: to double the number of Maggie's Centres to 30 and to treble the number of new people we support each year to 80,000.

In 2017, growing the number of people we support each year remains our main objective. To achieve this, we recognise the importance of building greater awareness and understanding of Maggie's so that more people affected by cancer know that our Centres are there for them at the earliest point in their cancer experience, and so that more people support us to grow our number of Centres and our programme of support each year.

Internationally, we will continue work in partnership with organisations in a number of different countries to share our expertise and experience and to establish Centres abroad. In 2016 we have also developed our fundraising structure to support our growing number of Centres. We raised £12m in revenue to keep our Centres open and £7.6m in capital to build new Centres.

Today, we are dedicated to building on our achievements of the past 20 years, continuing to provide support of the highest quality for anyone and everyone affected by cancer. But none of the work we do would be possible without the valued support of our staff, volunteers and fundraisers.

I am continually inspired by the dedication and passion of our supporters, who give their time, expertise and money to support Maggie's so generously and with such enthusiasm. We are indebted to everyone who has helped to make 2016 an extraordinary year for Maggie's and those who have contributed to our past 20 years. I would like to say a heartfelt thank you to all those who continue to make our work possible.



Laura Lee

Directors' Report

Introduction

The Directors are pleased to present their report and financial statements for the year ended 31 December 2016.

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

The Directors of the charity are its trustees for the purpose of charity law but throughout the report are collectively referred to as Directors. Details of the Directors and Officers during the year are set out at the end of the Strategic Report. For the purposes of meeting our reporting obligations, the Welcome from the Chairman of the Board of Directors and the Report from the Chief Executive form part of this Directors' Report.

Governance, structure and management

Governing documents

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

Objectives

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

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

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

Directors' Report (continued)

Board of Directors

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

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

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

Audit Committee

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

Finance Committee

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

Nominations Committee

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

Remuneration Committee

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

Roles of Chairman and Chief Executive

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

Appointment of Directors

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

Directors' Report (continued)

Board of Directors

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. Nick Claydon, James Martin and Alan Eisner retire by rotation in 2017 and, being eligible, offer themselves for re-election. Biographies of Directors can be found on the charity's website.

Directors' induction and training

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

Advisory Committees

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

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

Key Management Personnel and remuneration policy

The Board of Directors, who are also the trustees, comprises the directors and the Chief Executive. The key management personnel of the charity are comprised of the Board together with the Chief Operating Officer and the Finance Director, who are executive directors, and are responsible for directing and controlling, running and operating the charity on a day to day basis. The Board of Directors give of their time freely and no board director, other than the Chief Executive, received remuneration. Details of expenses reimbursed to the Board of Directors are shown in note 7.

The Board, on the recommendation of its Remuneration Committee, determines the remuneration of all staff at Maggie's including the key management personnel. Remuneration at Maggie's is based on the NHS Agenda for Change pay bands. Periodically key management remuneration is reviewed by reference to charity and healthcare benchmarks and to ensure remuneration takes into account the requirements to deliver the strategy and ambitions of the organisation. This took place in 2015 and will be reviewed again during 2017.

Directors' Report (continued)

Reserves, Investment and Taxation

Reserves policy

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

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

At the end of 2016 the general reserve fund increased to £3.5 million, equivalent to 3.7 months of 2016 expenditure excluding direct fundraising event & activity costs. In response to the expansion of the charity the Directors have agreed a budget for 2017 delivering a surplus to increase the general reserve fund.

In addition Maggie's has two designated funds; the Capital Asset Fund and the New Centres Development Fund. The Capital Asset Fund, representing the net book value of tangible fixed assets not held in restricted funds, totals £6.3 million. The new Centres Development Fund totals £895,000, and consists of money received and designated to the construction of new Centres outlined in our strategic plan.

The total funds at the end of 2016 were £50.0 million (2015: £42.6 million) of which £39.4 million were held as fixed assets, principally our centres, and £10.5 million were net current assets, of which £5.8 million was held in cash.

Investment policy

During the year the Directors reviewed the investment policy and agreed that surplus funds should continue to be held in fixed term deposit accounts and diversified across more than one bank and an instant access liquidity fund. During the year income from deposits and accounts amounted to £61,000 (2015: £58,000). In addition as a result of the merger with Cancerkin an investment portfolio managed by GAM and valued at £277,865 on the merger date 1st February 2016 was received as part of the assets transferred to Maggie's. Details can be found in Note 9.

Directors' Report (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements, comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

In so far as the Directors are aware:

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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


Ian Marchant
Chairman

23 May 2017

Strategic Report

The Directors are pleased to present their strategic report for the year ended 31 December 2016.

Review and Analysis of Activities

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

Achievements and Performance

Set out below are the key achievements of 2016:

Programme Activity

In 2016, we achieved our ambitions to make a positive difference to the lives of more people with cancer than ever before:

- Over 53,000 people visited a Maggie's Centre for the first time (2015: 45,000).
- In total, our Centres received over 220,000 visits (2015: 200,000) from people with cancer and their family and friends.
- 100% of visitors gave a positive rating (good or excellent) of their experience at Maggie's and 92% stated Maggie's was meeting their needs (completely or mostly) (2016 audit).

Generating Income

To support all of this work, we raised £12.2 million (2015: £9.9million) of income from donations, legacies and fundraising activities. We also received over £7.6 (2015: £9.2million) income towards our campaigns for new Centres in the UK.

Future Growth

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

- we completed construction of and opened a new Centres at The Christie in Manchester;
- we continued the construction of two new centres at St Bartholomew's (Barts) in the City of London and at Forth Valley Hospital that are due to open in 2017;
- we started the construction of a new centre in Oldham that will open in 2017;
- we merged with Cancerkin to create a Maggie's Centre at the Royal Free Hospital in North London. Cancerkin is an independent charity established in 1987 providing "treatment, information, supportive care and rehabilitation for patients with breast cancer and support for those close to them" at the Royal Free Hospital in Hampstead, London. The merger took place on 1st February 2016.
- we progressed our plan for new Centres at The Royal Marsden in Surrey, Leeds, Southampton, Liverpool and Cambridge and to extend our Edinburgh Centre..

Financial Review

2016 was another strong year for Maggie's. We increased total income to £20.5m (2015: £19.1m). Income for our capital campaigns was £7.6m (2015: £9.1m). This reduction was due to the completion of the fundraising campaigns for Centres in or about to start construction. Income to fund our normal operational activities was £12.2m (2015: £9.9m). This increase included additional money received from the People's Postcode Lottery. In addition a donation of £650,000, representing the value of all the net assets of Cancerkin, was received in the year as a result of the merger.

During the year our expenditure increased to £13.0m from £12.5m. Expenditure on our programme of support within the Centres increased 7% to £8.3m (2015: £7.8 million) maintaining the proportion of our revenue cost spent on charitable activities at 63% (2015: 63%). As we continue to develop the support we provide and build new Centres that reach more people with cancer, our charitable expenditure is expected to increase as an overall proportion.

Strategic Report (continued)

As part of our 2016 plan fundraising costs also increased marginally by 1% to £4.7million (2015: £4.6 million) (including £0.76 million cost of generating income from fundraising events and activities). In line with our strategy to improve our fundraising rate of return, our overall fundraising return increased to £4.3 for each £1 spent (2015: £4.1). The Board will continue to review the investment in fundraising to ensure that the rate of return achieved is in line with targets and the future income requirements of the charity.

Incoming resources

Total income raised rose by £1.4 million (7%) to £20.5million.

Income to fund our normal operating activities increased to £12.2 million. This was due primarily to an increase in funds from the People's Postcode Lottery and an increase in our centre fundraising activity from both existing and new centres opened. This, as part of our longer term plan, is an area in which we have been investing our fundraising resource.

£7.6 million was raised in the year for our capital purposes. £2.5m of this was for the campaigns at St Bartholomew's Hospital, £0.6million at the Christie in Manchester, £1.1million for Forth Valley, £1.4million for Oldham, £1.3million for The Royal Marsden and £0.5million towards the extension at our Edinburgh Centre. A further £0.2million was raised towards our planned centres in Southampton and Leeds.

At the year-end, there were outstanding pledges totalling £16.2 million; of this £1.0 million is for operating expenditure and £15.2 million towards new Centre campaigns. This represents a significant achievement for the organisation and has allowed us to move forward with the construction in 2016 of new Centres in Forth Valley, Oldham, and at St Bartholomew's Hospital in London.

Expenditure

Expenditure increased by £0.6 million to £13.1 million (2015: £12.5 million). The costs of raising voluntary income and running fundraising events increased by 1% and expenditure on support, advice and information increased by 7% during the year as we opened a new centre in Manchester and demand for our programme of support increased. Capital expenditure in the year on building new centres was £7.4million (2015: £5.7 million).

Breakdown of charitable expenditure:

	2016	2015
	£'000	£'000
Support, advice and information	8,319	7,790
Building centres (Capital expenditure)	7,364	5,710
Total	15,683	13,500

Net incoming resources for the year

The net incoming resources in the year were £7.4 million (2015: £6.6 million). Restricted net incoming resources were £6.8 million, which predominantly comprise income donated specifically for capital purposes that will be spent in future years. Unrestricted net incoming resources were £0.6million. As a growing organisation the Board are committed to generating a cash surplus to ensure our free cash reserves grow in line with our reserves policy and our 2017 budget reflects this.

Strategic Report (continued)

Capital Expenditure

Capital expenditure increased in the year to £7.4 million as three building projects were progressed. £6.4million was spent on Centres under construction at St Bartholomew's, London, The Christie in Manchester, Forth Valley and Oldham. A further £0.6million was spent on progressing new Centres in Southampton, Leeds, The Royal Marsden Hospital, London and the extension at our Edinburgh Centre. £0.4m also represented the fixed asset addition of the property at the Royal Free Hospital as a result of the merger.

At the end of the year we had capital commitments of £5.7m representing the committed construction costs for work on the new Centres in Manchester, Forth Valley and Oldham. Funds have been either received or are pledged to meet these commitments.

Cashflow

There was a cash outflow during the year due to an increase in the purchase of fixed assets for which income had been received in previous years. There was also an increase in debtors in the year.

Plans for Future Periods

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

Our key targets for 2017 are:

1. To provide support to 60,000 visiting a Maggie's Centre for the first time (*30,000 from people with cancer and 30,000 carers*).
2. To receive 250,000 visits to our Centres from people with cancer and their family and friends.
3. To open 3 new Maggie's Centres and commence construction at the Royal Marsden Hospital in Surrey.
4. To deliver a high quality experience for people visiting a Maggie's Centre as measured by overall satisfaction rates.
5. Measure and demonstrate the impact of our programme of support through PR and Centre-led activity.
6. To generate the revenue income required to support and develop our day-to-day activities and generate a surplus to ensure our cash reserves grow with our reserves policy.
7. To raise the required cash and pledges to ensure our new Centres and extensions remain in line with our plan.

Strategic Report (continued)

Responsible Fundraising

At Maggie's our Centre visitors and supporters matter to us a great deal. They are a vital part of what we do and we couldn't do our work without them. We have always aspired to the very highest standards and continually work to review and strengthen our procedures to ensure these standards are always met.

As members of the Direct Marketing Association, Gamble Aware, through our Lotteries Council membership, and Advice UK, we take seriously our commitment to uphold their codes within our fundraising. Maggie's has committed in 2017 to sign up to the Fundraising Regulator and its code of conduct to illustrate our intention to meet best practice within the sector. Maggie's has committed in 2017 to sign up to the Fundraising Regulator and its code of conduct to illustrate our intention to meet best practice within the sector.

As a result of fundraising activity, across 2016 Maggie's received complaints from less than 0.01% of our supporters regarding fundraising activity. Maggie's takes complaints extremely seriously. This helps us to remain accountable to supporters and ultimately improve how we work because of the feedback we receive.

Maintaining data security and privacy is an absolute priority for us, not just to meet our legal obligations but to build trust with those who visit and support Maggie's. We undertake organisational training to ensure that staff meet our expectation of best practice for data protection. Maggie's will not swap or sell data with other organisations. We respect the wishes of any supporter or visitor who no longer wishes to hear from us or who prefers to receive contact through certain channels, or not receive contact from Maggie's at all.

Since 2010, Maggie's has had a policy in place explicitly for the protection of children and vulnerable adults. This aims to help Maggie's treat our supporters with the respect and dignity they deserve and ensures we treat them fairly at all times. All staff are expected to understand our policy and guidelines and agree to abide by these.

Our fundraising teams work closely with third parties to ensure they adhere to the high standards Maggie's expects. Donations from individuals are a major source of income for Maggie's, as we are entirely funded by the generosity of our supporters. We will never take this generosity for granted.

Principal Risks and Uncertainties

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

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

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

Strategic Report (continued)

Maggie's has identified the following key risks:

- The charity's dependence on voluntary income and in particular significant major gifts to fund the running costs of our centres. To mitigate this risk we have developed a strategy to invest in, grow and diversify our income in the communities in which our centres operate to ensure their sustainability;
- The financial risk associated of major building projects which happen concurrently. In 2017 the Board and Executive are conducting a review of Maggie's current building strategy, the approach to design, construction and procurement and the appropriate management and governance to ensure the effective delivery our next phase of growth;
- The effective delivery of a quality service to Centre users during the continuing period of growth. We monitor and review our quality assurance programme which is complementary to our tri-annual external programme review. We will also continue to develop processes and information to measure our impact. The Board will be reviewing the overall programme of support as part of the strategic planning during the year.
- Effective compliance with Data Protection and Responsible Fundraising regulations and practices including the GDPR regulations which come into force in 2018. A plan is underway to review all our policies and procedures and CRM systems, the training of our staff and we will put in place an auditing system to ensure we have taken the necessary steps to ensure compliance.

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

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



Ian Marchant
Chairman

23 May 2017

President, Patrons, Directors and Officers

Founders

Maggie Keswick Jencks and Charles Jencks

President

HRH The Duchess of Cornwall

Honorary Patrons

Sarah Brown
Frank Gehry
Lord Rogers of Riverside CH
Jon Snow
Sam Taylor-Johnson
Kirsty Wark
Janet Ellis
Mary McCartney

Directors

Nick Claydon
Alan Eisner (Deputy Chairman)
Dr Charles Jencks
Laura Lee
Professor Robert Leonard
Ian Marchant (Chairman)
James Martin
Geoffrey Ridley (retired 17 May 2016)
George Robinson
Susan Dunn (appointed 20 January 2016)

Company Secretary

Allison Wood

Audit Committee

George Robinson (Chairman)
Alan Eisner
Susan Dunn (appointed 20 January 2016)

Finance Committee

Ian Marchant (Chairman)
Alan Eisner
James Martin
Laura Lee
Allison Wood

Nominations Committee

Ian Marchant (Chairman)
Alan Eisner
Laura Lee
Nick Claydon

Remuneration Committee

Alan Eisner (Chairman)
Professor Robert Leonard
Ian Marchant

Executive Officers

Sarah Beard, Business Development Director
Laura Lee, Chief Executive
Sharon O'Loan, Development and Fundraising Director
Katie Tait, PR Director
Ann-Louise Ward, Chief Operating Officer
Allison Wood, Finance Director

Website

www.maggiescentres.org

Registered Office

The Stables
Western General Hospital
Crewe Road South
Edinburgh EH4 2XU

Glasgow Office

The Gatehouse
10 Dumbarton Road
Glasgow G11 6PA

London Office

20 St James Street
London W6 9RW

Auditor

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

Independent Auditor's Report

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

We have audited the financial statements of The Maggie Keswick Jencks Cancer Caring Centres Trust for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's Directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body and its Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors Responsibilities Statement set out on page 7, the Directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

Scope of the audit of the financial statements

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

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 2016, and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Independent Auditor's Report (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Directors' Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- The parent charitable company has not kept proper and adequate accounting periods or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.



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

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

26 May 2017

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

Consolidated statement of financial activities for the year ended 31 December 2016
Total Total

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Funds 2016 £'000	Funds 2015 £'000
Income from:						
Donations and legacies*	4	9,205	9,209	-	18,414	17,416
Other trading activities		1,559	416	-	1,975	1,600
Investment income		58	-	3	61	58
Total income		10,822	9,625	3	20,450	19,074
Expenditure on:						
Raising funds						
Raising voluntary income	5	3,691	253	-	3,944	3,752
Fundraising events	5	656	105	-	761	892
Charitable activities**						
Support, advice and information	5	5,831	2,517	-	8,348	7,815
Total expenditure		10,178	2,875	-	13,053	12,459
Net gains/(losses) on investment	9	-	5	-	5	-
Net income and net movement in funds before transfers		644	6,755	3	7,402	6,615
Transfers between funds		3	-	(3)	-	-
Net income and net movement in funds for the year		647	6,755	-	7,402	6,615
Reconciliation of funds						
Total funds at 1 January 2016		10,021	32,341	250	42,612	35,997
Total funds at 31 December 2016	13	10,668	39,096	250	50,014	42,612

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

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

All activities are classed as continuing.

*The restricted donations and legacies includes £0.650 million representing the funds received following the merger with Cancerkin.

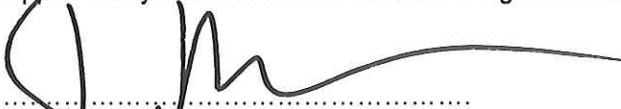
**The cost of charitable activities does not include £7.364 million (2015: £5.710 million) of capital expenditure additions on building new Centres as shown in note 9.

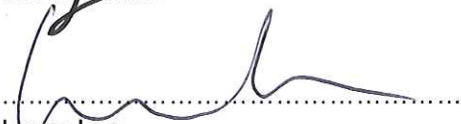
The notes starting on page 20 form part of these financial statements

Consolidated balance sheet as at 31 December 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Tangible assets	9		39,202		32,969
Investment	9		271		-
			-----		-----
			39,473		32,969
Current assets					
Debtors	10	5,981		2,176	
Cash at bank		5,835		8,601	
		-----		-----	
		11,816		10,777	
		-----		-----	
Current liabilities					
Creditors	11	1,275		1,134	
		-----		-----	
Net current assets					
			10,541		9,643
			-----		-----
Total assets less current liabilities					
			50,014		42,612
			=====		=====
Funds					
Endowment fund	13		250		250
Restricted funds	13		39,096		32,341
Unrestricted funds:					
Designated capital asset fund	13		6,315		6,227
Designated new Centres development fund	13		895		1,040
General fund	13		3,458		2,754
			-----		-----
			50,014		42,612
			=====		=====

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


.....
Ian Marchant Director


.....
Laura Lee Director

Date: 23 May 2017

Company Number: SC162451


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

Company Balance Sheet as at 31 December 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Tangible assets	9		39,202		32,969
Investment	9		271		-
			-----		-----
			39,473		32,969
Current assets					
Debtors	10	5,873		2,042	
Cash at bank		5,831		8,598	
		-----		-----	
		11,704		10,640	
Current liabilities					
Creditors	11	1,163		997	
		-----		-----	
Net current assets			10,541		9,643
			-----		-----
Total assets less current liabilities			50,014		42,612
			=====		=====
Funds					
Endowment Fund	13		250		250
Restricted Funds	13		39,096		32,341
Unrestricted Funds:					
Designated capital asset fund	13		6,315		6,227
Designated new Centres development fund	13		895		1,040
General fund	13		3,458		2,754
			-----		-----
			50,014		42,612
			=====		=====

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


.....
Ian Maremont


.....
Laura Lee

Director

Director

Date: 23 May 2017

Company Number: SC162451

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

Consolidated Statement of Cash flows for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Cash provided by operating activities	21	4,803	6,823
Cash flows from investing activities			
Interest received		61	58
Purchase of tangible fixed assets		(7,364)	(5,710)
Proceeds from sale of investments		10	-
Purchase of investments		(276)	-
		-----	-----
Cash used in investing activities		(7,569)	(5,652)
		-----	-----
(Decrease)/increase in cash and cash equivalents		(2,766)	1,171
Cash and cash equivalents at the beginning of the year		8,601	7,430
		-----	-----
Cash and cash equivalents at the end of the year		5,835	8,601
		=====	=====

Company Statement of Cash flows for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Cash provided by operating activities	21	4,802	6,833
Cash flows from investing activities			
Interest received		61	58
Purchase of tangible fixed assets		(7,364)	(5,710)
Proceeds from sale of investments		10	-
Purchase of investments		(276)	-
		-----	-----
Cash used in investing activities		(7,569)	(5,652)
		-----	-----
(Decrease)/increase in cash and cash equivalents		(2,767)	1,181
Cash and cash equivalents at the beginning of the year		8,598	7,417
		-----	-----
Cash and cash equivalents at the end of the year		5,831	8,598
		=====	=====

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

Notes to the financial statements for the year ended 31 December 2016

1. Company information

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

2. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Consolidation

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

Going concern

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

Significant judgements and estimation uncertainty

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

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

(i) Useful economic lives of tangible assets

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

Notes to the financial statements for the year ended 31 December 2016

2. Accounting policies

Donations and grants

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

Legacies

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

Bank interest

Interest on deposits is dealt with on an accruals basis.

Resources expended

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

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

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

Tangible fixed assets and depreciation

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

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

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

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

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Notes to the financial statements for the year ended 31 December 2016

2. Accounting policies

Fund accounting

Unrestricted funds

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

Designated funds

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

Restricted funds

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

Endowment funds

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

Debtors

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

Cash at bank and in hand

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

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pension

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

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

Operating lease commitments

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

Irrecoverable VAT

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

Notes to the financial statements for the year ended 31 December 2016

3. Prior year consolidated statement of financial activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Funds 2015 £'000
Income from:				
Donations and legacies	7,979	9,437	-	17,416
Other trading activities	1,466	134	-	1,600
Investment income	56	-	2	58
Total income	9,501	9,571	2	19,074
Expenditure				
Raising funds				
Raising voluntary income	2,553	1,199	-	3,752
Fundraising events	794	98	-	892
Charitable activities				
Support, advice and information	5,801	2,014	-	7,815
Total expenditure	9,148	3,311	-	12,459
Net income and net movement in funds before transfers	353	6,260	2	6,615
Transfers between funds	2	-	(2)	-
Net income and net movement in funds for the year	355	6,260	-	6,615

Notes to the financial statements for the year ended 31 December 2016

4. Incoming resources from generated funds

	Unrestricted £'000	Restricted £'000	2016 £'000	2015 £'000
Charitable trusts	629	1,800	2,429	2,378
Statutory and Big Lottery Fund	-	436	436	431
Local community fundraising	2,540	414	2,954	2,782
Companies	693	2,715	3,408	4,188
Individuals	2,044	3,183	5,227	6,294
Legacies	649	11	660	679
People's Postcode Lottery	2,557	-	2,557	575
Other	93	650	743	89
	-----	-----	-----	-----
	9,205	9,209	18,414	17,416
	=====	=====	=====	=====

£650,000 of other restricted income represents the funds received from Cancerkin following the merger.

5. Total resources expended

	Costs of Generating Voluntary Income £'000	Cost of Fund- raising Events £'000	Support, Advice and Governance Information £'000	Costs £'000	2016 £'000	2015 £'000
Staff & related costs	3,177	287	5,617	-	9,081	8,143
Programme & Centre						
Running costs	-	-	425	-	425	379
Fundraising costs	433	421	-	-	854	1,076
Depreciation	17	5	1,109	-	1,131	1,088
Other costs	118	30	341	28	517	580
Premises and running costs	199	18	828	-	1,045	1,193
	-----	-----	-----	-----	-----	-----
	3,944	761	8,320	28	13,053	12,459
	=====	=====	=====	=====	=====	=====

6. Net income for the year

	2016 £'000	2015 £'000
This is stated after charging/(crediting):		
Depreciation	1,131	1,088
Directors' remuneration	154	151
Auditor's remuneration – audit services including VAT	22	22
Auditor's remuneration – non-audit services including VAT	15	15
	=====	=====

Employer's pension contributions of £21,995 were paid on behalf of the Chief Executive (2015: £21,007).

7. Staff costs

	2016 £'000	2015 £'000
Salaries	7,243	6,526
Social security costs	727	626
Pension contributions	573	519
	-----	-----
	8,543	7,671
	=====	=====

Notes to the financial statements for the year ended 31 December 2016

7. Staff costs (continued)

The average number of employees during the period was 187 (2015: 172). The split of the 187 employees is as follows:

	2016 Number	2015 Number
Programme	95	87
Fundraising	69	60
Administration	10	9
Communications	13	16
	-----	-----
Total	187	172
	=====	=====

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

The key management personnel of the charitable company comprise the Directors, Chief Executive, Chief Operating Officer and Finance Director. The total employee benefits of the key management personnel of the charitable company during the year were £391,158 (2015: £351,426).

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

No other Director of the company received any remuneration. They are paid expenses for attending meetings and duties directly related to their role as Directors. In 2016 three (2015: two) Directors were paid total expenses of £3,102 (2015: £1,612) for travel, subsistence and reimbursement of items purchased on behalf of Maggie's Centres. The funds of the charity have been used to pay premiums for Directors and Officers insurance amounting to £985 for the year to 31 December 2016 (2015: £985).

No members of staff were seconded from another organisation (2015:1). The number of other employees whose emoluments as defined for tax purposes amounted to over £60,000 in the year was as follows:

	2016 Number	2015 Number
£60,000 - £69,999	7	7
£70,000 - £79,999	2	2
£80,000 - £89,999	2	-
£90,000 - £99,999	2	1
£100,000 - £109,999	1	-
£110,000 - £119,999	-	1
£120,000 - £129,999	-	2
£150,000 - £159,999	1	1
	=====	=====

Notes to the financial statements for the year ended 31 December 2016

7. Staff costs (continued)

These employees have retirement benefits accruing under a defined contribution scheme, and NHS Superannuation scheme. Contributions totalling £118,663 were made in the year (2015: £117,832).

	2016 Number	2015 Number
Number of employees with retirement benefits accruing under:-		
Defined contribution schemes	145	130
	=====	=====
NHS Superannuation scheme	50	44
	=====	=====

8. Taxation

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

9. Fixed assets – group and company

	Freehold Land & Buildings £'000	Tenants Improve- ments £'000	Furniture & Fittings £'000	Office Equipment & Computer Software £'000	Total £'000
Cost					
At 1 January 2016	2,160	34,517	1,286	885	38,848
Additions	-	6,968	370	26	7,364
	-----	-----	-----	-----	-----
At 31 December 2016	2,160	41,485	1,656	911	46,212
	-----	-----	-----	-----	-----
Depreciation					
At 1 January 2016	215	3,817	1,026	821	5,879
Charge for year	44	862	166	59	1,131
	-----	-----	-----	-----	-----
At 31 December 2016	259	4,679	1,192	880	7,010
	-----	-----	-----	-----	-----
Net book value					
At 31 December 2016	1,901	36,806	464	31	39,202
	=====	=====	=====	=====	=====
At 31 December 2015	1,945	30,700	260	64	32,969
	=====	=====	=====	=====	=====

Investments – group and company

	£'000
Market Value at 1 February 2016	276
Disposals	(10)
Net gain/(loss) on investments	5

Market Value at 31 December 2016	271
	=====
Historic cost	213
	=====

The investment is held in a Lipper Global Mixed Asset GBP Flexible fund with GAM and seeks to produce positive returns over a full investment cycle, typically five years. The investment formed part of the assets transferred as a result of the merger with Cancerkin.

Notes to the financial statements for the year ended 31 December 2016

10. Debtors

	2016 £'000	Group 2015 £'000	2016 £'000	Company 2015 £'000
Other debtors and prepayments	5,981	2,176	5,873	2,042
	=====	=====	=====	=====

Debtors include accrued legacy income, grants, gift aid and bank interest receivable at 31 December 2016.

11. Creditors

	2016 £'000	Group 2015 £'000	2016 £'000	Company 2015 £'000
Amounts due to subsidiary undertaking	-	-	150	55
Other taxes and social security costs	248	253	248	253
Other creditors	854	705	592	514
Accruals	22	23	22	22
Deferred income	151	153	151	153
	-----	-----	-----	-----
	1,275	1,134	1,163	997
	=====	=====	=====	=====

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

	£'000
Deferred income comprises:	
Brought forward	153
Released to incoming resources during the year	(3)
Deferred in year	1

Carried forward	151
	=====

12. Analysis of net assets between funds

	Endowment Funds £'000	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
Tangible fixed assets	-	33,158	6,315	-	39,473
Net current assets	250	5,938	895	3,458	10,541
	-----	-----	-----	-----	-----
	250	39,096	7,210	3,458	50,014
	=====	=====	=====	=====	=====

Notes to the financial statements for the year ended 31 December 2016

13. Movement in funds

		At 1 January 2016 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 December 2016 £'000
Endowment fund:						
Blakenham fund	(i)	250	3	-	(3)	250
Restricted funds:						
Centres capital funds	(ii)	32,077	7,648	(1,364)	-	38,361
Restricted revenue funds:						
Centre programme funds	(iii)	119	1,620	(1,111)	-	628
Big Lottery Fund for Maggie's Newcastle		31	128	(123)	-	36
Big Lottery Fund for Maggie's Swansea		18	26	(44)	-	-
Big Lottery Fund for Maggie's Liverpool		87	176	(205)	-	58
Big Lottery Fund for Maggie's Nottingham		-	32	(32)	-	-
Fundraising and publicity funds		9	-	4	-	13
Total restricted funds		32,341	9,630	(2,875)	-	39,096
Unrestricted funds:						
Designated funds:						
Capital asset fund	(iv)	6,227	-	(102)	190	6,315
New Centres Development Fund	(v)	1,040	-	-	(145)	895
General fund	(vi)	2,754	10,822	(10,076)	(42)	3,458
Total unrestricted funds		10,021	10,822	(10,178)	3	10,668
Total funds		42,612	20,455	(13,053)	-	50,014

The above funds carried forward at 31 December 2016 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, £3,000, has been transferred to the general fund.
- (ii) **Centres capital funds** – restricted grants and donations received as part of the campaigns to development new Maggie's Centres and funds held for the construction of new Centres. The expenditure relates to depreciation for operational Centres, direct campaign fundraising and construction management costs and centre operational expenditure raised within the campaign for new Centres.
- (iii) **Restricted revenue funds** – grants and donations given for specific Centre programmes, fundraising or publicity. Details are given in respect of restricted funds for the Big Lottery Fund where separate disclosure is required by them.
- (iv) **Capital asset fund** – the net book value of general funds invested in tangible fixed assets, other than those covered by restricted funds (see (ii) above) and which are not, by the nature of fixed assets, available for use for other purposes. Expenditure represents the depreciation charge of those assets for the year. The transfer represents capital expenditure on new Centres where funds were held in the New Centres Development fund, or were funded by the general funds and capital expenditure on operational Centres.

Notes to the financial statements for the year ended 31 December 2016

13. Movement in funds (continued)

- (v) **New Centres development fund** – the amount that has been set aside for specified Centre construction in addition to the restricted funds (see (ii) above). Income represents unrestricted amounts raised in the geographic location of new Centres being developed and has been designated to those Centres. Expenditure is the related costs of fundraising. The transfer represents £145,000 of assets acquired using the fund.
- (vi) **General fund** – this comprises the amount agreed by the board to be set aside to meet possible shortfalls in funding and unexpected increases in costs. The transfer of £42,000 represents £45,000 of capital expenditure on operational Centres transferred to the Capital Asset fund partly offset by £3,000 income transferred from the Endowment fund.

14. Charity statement of financial activities

	Total Funds 2016 £'000	Total Funds 2015 £'000
Income from:		
Donations and legacies	18,414	17,416
Other trading activities	1,975	1,600
Investment income	61	58
	-----	-----
Total income	20,450	19,074
	=====	=====
Expenditure		
Raising funds	4,705	4,644
Charitable activities*	8,348	7,815
	-----	-----
Total expenditure	13,053	12,459
	=====	=====
Net income and net movement in funds for the year	7,397	6,615
Net gains on investments	5	-
Total funds at 1 January 2016	42,612	35,997
	-----	-----
Total funds at 31 December 2016	50,014	42,612
	=====	=====

*The cost of charitable activities does not include £7,364 million (2015: £5.508 million) of capital expenditure on building new Centres as shown in note 9.

Notes to the financial statements for the year ended 31 December 2016

15. Subsidiary Companies

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

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

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

Maggie Keswick Jencks Cancer Caring Centres Trust England is a charitable company limited by guarantee, registered in England with a year end of 31 January. It is also considered to be a subsidiary company due to the influence of the composition of the Board of Directors. The company was dormant throughout the year and at 31 January 2017 the company had net funds of £62.

The following subsidiaries are included in the consolidated financial statements:

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

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

In 2011, the charity established a branch in Barcelona. Delegation of Maggie's Foundation is a non-profit making organisation that is controlled by the charity's Board. During the year, no costs were incurred on behalf of the branch. On 14th September the Trustees of the Delegation of Maggie's foundation resolved to transfer the activities of the branch to Fundacio Privada Kalida and dissolve the Delegation.

On 1st February 2016, Cancerkin an independent charity established in 1987 which is a charitable company registered in England and Wales with company number 4132563 and charity number 1085517 merged with the Maggie Keswick Jencks Cancer Caring Centres Trust. Cancerkin is now dormant.

16. Related party transactions

Maggie's Hong Kong, a charitable limited company entity that has been set up in Hong Kong, is supported by the charity and the Keswick Foundation Ltd. Although Maggie's Hong Kong is not controlled by the charity, Laura Lee is also a Director of Maggie's Hong Kong. There were no transactions with Maggie's Hong Kong in the year (2015: 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.

17. Capital commitments

	2016 £'000	2015 £'000
Capital expenditure contracted for but not provided in the financial statements	5,731 =====	1,543 =====

Notes to the financial statements for the year ended 31 December 2016

18. Other financial commitments

At 31 December 2016 the Trust had total future minimum lease payments under non-cancellable operating leases expiring as set out below:

	2016 £'000	2015 £'000
Land & buildings		
Expiring within one year	33	30
Expiring over five years	1,938	8
	=====	=====

Payments made under land and buildings operating leases in the year amounted to £227,317 (2015: £38,152).

The Charity moved into a new London office in September 2014 on the basis of a periodic tenancy ahead of the formal conclusion of a ten year lease. The lease has now been signed.

Other assets

Expiring less than one year	3	39
Expiring within one to two years	9	12
Expiring within two to five years	74	2
	-----	-----
	86	53
	=====	=====

Payments made under other operating leases in the year amounted to £38,000 (2015: £37,000).

19. Pensions

During the year the Trust operated a group personal pension arrangement for certain employees to which the Trust is contributing 6% of salary. Other employees are members of the National Health Service Pension Scheme under a scheme of Direction to which the Trust makes contributions at 14.3% of salary for the England and Wales scheme and 14.9% for the Scottish scheme. The total pension charge for the year was £573k (2015: £519k). Pension costs outstanding at 31 December 2016 were £37k (2015: £76k).

20. Contingent liabilities

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

21. Reconciliation of net movement in funds to net cash flow from operating activities	2016 Group £'000	2015 Group £'000
Net movement in funds	7,402	6,615
Deduct interest income shown in investing activities	(61)	(58)
Deduct gains/add back losses on investments	(5)	-
Add back depreciation	1,131	1,088
(Increase) in debtors	(3,805)	(787)
Increase/(decrease) in creditors	141	(35)
	-----	-----
Net cash provided by operating activities	4,803	6,823
	=====	=====

Notes to the financial statements for the year ended 31 December 2016

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

	2016 Company £'000	2015 Company £'000
Net movement in funds	7,402	6,615
Deduct interest income shown in investing activities	(61)	(58)
Deduct gains/add back losses on investments	(5)	-
Add back depreciation	1,131	1,088
(Increase) in debtors	(3,831)	(933)
Increase in creditors	166	121
	-----	-----
Net cash provided by operating activities	4,802	6,833
	=====	=====

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

For the year ended 31 December 2016

	Notes	Normal Donation on Operating Activities £'000	merger with Cancerkin £'000	Capital Campaigns £'000	Funds 2016 £'000
Income from:					
Donations and legacies	4	10,451	650	7,313	18,414
Other trading activities: Running, hiking and other events		1,640	-	335	1,975
Investment income		61	-	-	61
		-----	-----	-----	-----
Total income		12,152	650	7,648	20,450
		=====	=====	=====	=====
Expenditure					
Raising funds					
Costs of generating voluntary income	5	3,714	-	230	3,944
Cost of fundraising events	5	656	-	105	761
Charitable activities					
Support, advice and information	5	8,199	-	121	8,320
Governance costs	5	28	-	-	28
		-----	-----	-----	-----
Total expenditure		12,597	-	456	13,053
		=====	=====	=====	=====
(Deficit)/Surplus		(445)	650	7,192	7,397
Net gains on investments		5	-	-	5
Depreciation included in above resources expended		1,131	-	-	1,131
		-----	-----	-----	-----
Operating surplus		691	650	7,192	8,533
		=====	=====	=====	=====