

Annual Report
and Financial
Statements
2017

maggie's

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

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Welcome from the Board of Directors

We'd like to begin this report by saying a huge thank you to Ian Marchant, who has stepped down as Chairman of Maggie's Board of Directors after four years, and having served on the Maggie's Board since 2006. Ian has done a wonderful job and leaves Maggie's in a very strong position. A new Chairman will be appointed shortly.

The world of cancer continues to change and evolve. Advances in medicine and early diagnosis have dramatically increased the chances of people living for many years after a cancer diagnosis. However, this increase in life expectancy after diagnosis also brings with it a host of practical and emotional needs that can be met by Maggie's programme of support. In short, the need for Maggies has never been greater.

There are currently over 2 million people living with cancer in the UK, with recent statistics showing over 350,000 people are diagnosed each year. By 2020 almost half of the population will be diagnosed with cancer in their lifetime and many will also be living with other health conditions that can have physical and psychological impact on their lives.

Maggie's is responding to these changes with an ambitious and robust five year plan. Since we opened our first Centre, Maggie's Edinburgh, in 1996, there has been a 12% increase in the number of people diagnosed across the UK, and a greater need for information and support. Many more people are now living with the side effects and long term physical and psychological consequences of increasingly complex cancer treatment as a result of earlier diagnosis and better treatment. Maggie's has developed the way we support these changing and emerging needs to ensure that people with cancer and their families have access to the help and support that they need to understand how they fit into this complex picture and to ensure the support offered meets their specific needs.

Our overarching aim over the next five years is to remain at the forefront of cancer care. Sustaining and building on our reputation of delivering ground-breaking and outstanding support and continuing to be a world leader in promoting the importance of environment in healthcare. We will do this by extending our reach through opening new Centres in the UK and abroad, vigorously upholding and testing the excellence of our programme, focussing on the needs of the individual and promoting and sharing the quality of the work we do.

This work will be underpinned by robust, meticulous, creative and opportunistic fundraising. Ensuring that Maggie's current supporters feel engaged, motivated and confident in our work and we gain new donors through highlighting the importance and quality of our programme of support and our buildings.

Our long-term ambition is to be there for everyone with cancer in the U.K, at all 60 cancer centre sites to ensure that there is no one living with cancer who is unable to access the expert psychological and information support that they so desperately need to have the best quality of life possible. This next five years should bring us to over the halfway mark to achieving this goal.

We would like to express our gratitude to those who have supported us so generously once again in 2017. 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, we'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.

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

Our final thanks are 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.

Maggie's Board of Directors

Report from the Chief Executive

I'd like to echo the Board of Directors in saying a heartfelt thank you to Ian Marchant as he steps down from his role as Chairman, leaving Maggie's in a very strong position.

Under Ian's chairmanship, we've seen Maggie's increase the number of people with cancer we are able to support and establish a presence in key areas where people previously had little access to cancer support. Ian joined the Board in 2006 when we opened our fifth centre, Maggie's Fife, and saw 37,000 visitors a year. With the opening of our newest Centre, Maggie's Barts, we now see some 250,000 visitors annually – a sevenfold increase. We have a strong management team, an expert and professional staff base, an agreed, ambitious and achievable five-year plan; 2017 has been a successful year financially.

Maggie's saw significant development in 2017, building on our programme of support and opening new Centres at Barts Hospital in the City of London, in Oldham and at Forth Valley. Since 1996, we have opened 22 Centres across the UK and two international Centres (Hong Kong and Tokyo) and we now support at least 30,000 new people with a diagnosis of cancer each year (circa 10% of the annual UK newly diagnosed cancer population) with annual total visits of 250,000 to our Centres.

Currently, we have six New Maggie's Centres in development in the UK – in South-East Wales, Yorkshire, Southampton, Surrey, Northampton and Taunton.

We are also expanding internationally, with new Centres in development in Spain, Norway and The Netherlands.

Delivering a programme of exceptional quality remains our focus as we grow, and I'm pleased to say that in our 2016 audit, Maggie's Centre visitors continued to tell us that they value our programme of support highly, with 98% giving a positive rating of their experience.

Over the last 20 years, Maggie's has seen evidence that what we do works. Our focus has been on building and opening new Centres to enable us to support more people with cancer, making a bigger difference to the quality of people's lives each year; to generate the increased level of revenue income required and to raise greater awareness of our work. While we plan to continue to increase our physical presence across the UK and beyond (through our international relationships), our primary organisational focus over the next five years is to deliver even more for those who access our operational Centres and our programme of support. We will work to continue to maintain our position as the leader in the delivery of high-quality tailored cancer support and care.

By 2022 we aim to support over 100,000 people a year visiting Maggie's for the first time (at least 50,000 new people with cancer and 50,000 new carers). We also plan to be able to support over 400,000 total visits from people with cancer and their families each year.

Our model of cancer care and support transforms the way that people live with cancer, and we want everyone who needs it to have access to this support. 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 2017.

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. Charles Jencks and Laura Lee retire by rotation in 2018 and, being eligible, offer themselves for re-election. Ian Marchant also retired by rotation and will not be offering himself 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 Groups to the Executive. These are:

- 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.
- Professional Advisory Board – During the year Maggie's existing Professional Advisory Board was reviewed and it was agreed to be replaced in 2018 by a new UK wide Professional Advisory Network. Each Maggie's centre will have an identified lead healthcare professional who will act as a local clinical ambassador and spokesperson, support the Centre Head and their team with strengthening engagement with their local cancer centre and NHS colleagues, provide advice, guidance and meet when necessary on operational, strategic and reputational issues and/or opportunities that may arise and be responsible for advice and support to the Executive on the professional programme of cancer support provided by Maggie's.

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. During the year the Remuneration Committee commissioned an external review on executive & key personnel total remuneration to provide market intelligence and benchmarking data to ensure remuneration remains competitive taking into account the charity's operating environment.

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 2017 the general reserve fund increased to £4.6 million, equivalent to 4.8 months of 2017 expenditure excluding direct fundraising event & activity costs and depreciation. In response to the expansion of the charity the Directors have agreed a budget for 2018 to mitigate income risk and 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 £7.5 million. The new Centres Development Fund totals £12,000, 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 2017 were £56.9 million (2016: £50.0 million) of which £45.5 million were held as fixed assets, principally our Centres, and £11.4 million were net current assets, of which £10.0 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 £64,000 (2016: £61,000). In addition, as a result of the merger with Cancerkin the charity holds an investment portfolio managed by GAM and was valued at £293,583 on 31st December 2017, representing an increase of £22,000 since the merger date of 1st February 2016. 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.

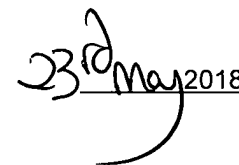
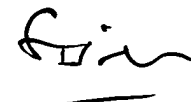
In so far as the Directors are aware:

- 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:

Alan Eisner
Deputy Chairman



Strategic Report

The Directors are pleased to present their strategic report for the year ended 31 December 2017.

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 2017:

Programme Activity

In 2017, we achieved our ambitions to make a positive difference to the lives of more people with cancer than ever before:

- Over 59,000 people visited a Maggie's Centre for the first time (2016: 53,000).
- In total, our Centres received over 250,000 visits (2016: 220,000) 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) (2017 audit).

Generating Income

To support all of this work, we raised £13.8 million (2016: £12.2 million) of income from donations, legacies and fundraising activities. We also received over £7.0 (2016: £7.6 million) 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 three new Centres at The Royal Oldham Hospital in Oldham, Forth Valley Royal Hospital in Larbert, Scotland and at St Bartholomew's (Barts) in the City of London,
- we progressed our plans to start construction in early 2018 of three new Centres at The Royal Marsden in Surrey, St James's University Hospital in Leeds and at Velindre Cancer Centre in Cardiff and an extension to our Edinburgh Centre
- We also proceeded with the design plans for new Centres in Southampton, Liverpool, Cambridge, The Royal Free Hospital in London, Northampton and Taunton.

Financial Review

2017 was another strong year for Maggie's. We increased total income to £20.8m (2016: £20.5m). Income for our capital campaigns was £7.0m (2016: £7.6m). 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 £13.7m (2016: £12.2m). This increase included growth in fundraising income from the communities around both the existing and new Centres, and a significant legacy. The reduction of Other Income was due to the donation of £650,000 representing the value of all the net assets of Cancerkin received in 2016 as a result of the merger.

During the year our expenditure increased to £13.9m from £13.0m. Expenditure on our programme of support within the Centres increased 6% to £8.8m (2016: £8.3 million) maintaining the proportion of our revenue cost spent on charitable activities at 63% (2016: 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 2017 plan fundraising costs also increased by 7.5% to £5.0 million (2016: £4.7 million) (including £0.76 million cost of generating income from fundraising events and activities). This increase reflects an increase in centre fundraising activity both in our new Centres and the existing ones which we have been growing as part of our fundraising strategy. It is recognized that centre fundraising returns in the new Centres are lower until the Centre becomes established, typically after 2-3 years. Therefore, our overall fundraising return decreased to £4.1 for each £1 spent (2016: £4.3). 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 £319,000 (2%) to £20.8 million. However, when excluding the one-off donation of the net assets received from the merger of Cancerkin in 2016 income rose by £969,000 (5%)

Income to fund our normal operating activities increased to £13.8 million. This was due primarily to an increase in our centre fundraising activity from both existing and new Centres opened and a significant legacy. This, as part of our longer-term plan, is an area in which we have been investing our fundraising resource.

£7.0 million was raised in the year for our capital purposes. £1.9m of this completed the campaigns for the three Centres that opened during the year at St Bartholomew's Hospital, Oldham and Forth Valley. £4.5 million was received for the new Centres that will begin construction in 2018; Cardiff, Leeds, The Royal Marsden and the extension to our Edinburgh Centre and £500,000 was received towards Southampton and an extension to our Newcastle centre.

At the year-end, there were outstanding pledges totalling £9.2 million towards our capital Campaigns. This represents a significant achievement for the organisation and has allowed us to move forward with the development of new Maggie's Centres in line with our planned growth.

Expenditure

Expenditure increased by £0.8 million to £13.9 million (2016: £13.1 million). The costs of raising voluntary income and running fundraising events increased by 7.5% and expenditure on support, advice and information increased by 5.5% during the year as we opened new Centres in Oldham, Forth Valley and St Bartholomew's Hospital in London and demand for our programme of support increased. Capital expenditure in the year on building new Centres was £7.3 million (2016: £7.4 million).

Breakdown of charitable expenditure:	2017 £'000	2016 £'000
Support, advice and information	8,770	8,319
Building Centres (Capital expenditure)	7,280	7,364
Total	16,050	15,683
	=====	=====

Net incoming resources for the year

The net incoming resources in the year were £6.9 million (2016: £7.4 million). Restricted net incoming resources were £5.4 million, which predominantly comprise income donated specifically for capital purposes that will be spent in future years. Unrestricted net incoming resources were £1.5 million. 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 2018 budget reflects this.

Strategic Report (continued)

Capital Expenditure

Capital expenditure in the year was £7.3 million as three building projects were completed. £6.4 million was spent on Centres under construction at St Bartholomew's, London, Forth Valley and Oldham. A further £0.9million was spent on progressing new Centres in Southampton, Leeds, The Royal Marsden Hospital, London and the extension at our Edinburgh Centre.

At the end of the year we committed but not contracted for construction totaling £10.1m. During January and February 2018 we signed the contracts for the construction of the new Centres in Leeds, Cardiff, The Royal Marsden and the Edinburgh Centre extension. Funds have either been received or are pledged to meet this construction.

Cashflow

There was a cash inflow during the year due to a decrease in debtors and an increase in creditors.

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 2018 are:

1. To provide support to 70,000 visiting a Maggie's Centre for the first time (*35,000 from people with cancer and 35,000 carers*).
2. To support over 270,000 visits to our Centres from people with cancer and their family and friends.
3. To start construction of new Maggie's Centres in Leeds, The Royal Marsden Hospital in Surrey, Cardiff, the extension to our Edinburgh Centre and complete the fundraising campaign for a centre in Southampton.
4. To launch fundraising campaigns for Centres in Northampton, Taunton, The Royal Free Hospital in London and Coventry.
5. To deliver a high quality experience for people visiting a Maggie's Centre as measured by overall satisfaction rates.
6. Measure and demonstrate the impact of our programme of support through PR and Centre-led activity.
7. 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.
8. 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. This is particularly important for Maggie's as we approach the change in data protection regulation in May 2018.

As members of the Direct Marketing Association, Gamble Aware, through our Lotteries Council membership, and Advice UK and the new Fundraising Regulator, we take seriously our commitment to uphold their codes within our fundraising. Maggie's is committed to continuing to adhere to the codes of conduct associated with these organisations in order to illustrate our intention to meet best practice within the sector.

As a result of fundraising activity, across 2017 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. Maggie's is well advanced in its efforts to adhere to our GDPR (General data protection regulation) compliance as part of the regulation changes leading up to and beyond 25 May 2018.

Since 2010, Maggie's has had a policy in place explicitly for the protection of children and vulnerable adults and this as well as other key policies continue to be reviewed in order to adhere to the codes of conduct and best practice. 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 and we have delivered specialist vulnerable persons training to our Supporter Care Team.

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)

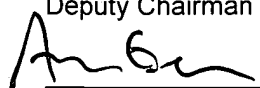
Maggie's has identified the following key risks:

- 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 conducted 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, infrastructure security 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. A key part of ensuring compliance for Maggie's is making sure our supporters are informed in a clear and transparent way in how Maggie's handles and processes data and to this end we have reviewed and updated public facing privacy notice/policy and referenced this on key communication channels and communications to supporters throughout 2017 and into 2018.

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:

Alan Eisner
Deputy Chairman

 2018

20th May 2018.

President, Patrons, Directors and Officers

Founders

Maggie Keswick Jencks and Charles Jencks

President

HRH The Duchess of Cornwall

Honorary Patrons

Sarah Brown

Janet Ellis

Lord Foster of Thamesbank

Frank Gehry

Mary McCartney

Lord Rogers of Riverside

Jon Snow

Sam Taylor-Johnson

Kirsty Wark

Directors

Nick Claydon

Alan Eisner (Deputy Chairman)

Dr Charles Jencks

Laura Lee

Professor Robert Leonard

Ian Marchant (Chairman) retired 13th March 2018

James Martin

George Robinson

Susan Dunn retired 19th September 2017

Company Secretary

Allison Wood

Audit Committee

George Robinson (Chairman)

Susan Dunn retired 19th September 2017

Alan Eisner

James Martin appointed 13th March 2018

Finance Committee

Ian Marchant (Chairman) retired 13th March 2018

Alan Eisner

James Martin

Laura Lee

Allison Wood

Nominations Committee

Ian Marchant (Chairman) retired 13th March 2018

Alan Eisner

Laura Lee

Nick Claydon

Remuneration Committee

Alan Eisner (Chairman)

Professor Robert Leonard

Ian Marchant retired 13th March 2018

Executive Officers

Sarah Beard, Business Development Director

Laura Lee, Chief Executive

Sharon O'Loan, Fundraising Director

Katie Tait, Communications 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)

Opinion

We have audited the financial statements of The Maggie Keswick Jencks Cancer Caring Centres Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2017, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 and 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 group and parent charitable 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 in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



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

31 May 2018

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 2017

		Total		Total		
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Funds 2017 £'000	Funds 2016 £'000
Income from:						
Donations and legacies*	4	10,657	7,927	-	18,584	18,414
Other trading activities		1,947	174	-	2,121	1,975
Investment income		62	-	2	64	61
Total income		12,666	8,101	2	20,769	20,450
Expenditure on:						
Raising funds						
Raising voluntary income	5	4,239	61	-	4,300	3,944
Fundraising events	5	741	17	-	758	761
Charitable activities**						
Support, advice and information	5	6,157	2,650	-	8,807	8,348
Total expenditure		11,137	2,728	-	13,865	13,053
Net gains/(losses) on investment	9	-	22	-	22	5
Loss on disposal of fixed asset	9	(3)	-	-	(3)	-
Net income and net movement in funds before transfers		1,526	5,395	2	6,923	7,402
Transfers between funds		2	-	(2)	-	-
Net income and net movement in funds for the year		1,528	5,395	-	6,923	7,402
Reconciliation of funds						
Total funds at 1 January 2017		10,668	39,096	250	50,014	42,612
Total funds at 31 December 2017	13	12,196	44,491	250	56,937	50,014

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

All gains and losses are recognised in the statement of financial activities.

All activities are classed as continuing.

*Donations and legacies in 2016 include £0.65 million representing the funds received following the merger with Cancerkin.

**The cost of charitable activities does not include £7.280 million (2016: £7.364 million) of capital expenditure additions on building new Centres as shown in note 9.

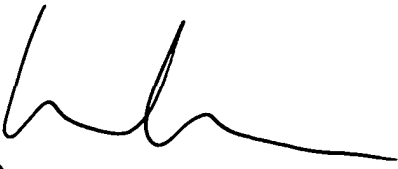
The notes starting on page 22 form part of these financial statements

Consolidated balance sheet as at 31 December 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	9		45,250		39,202
Investment	9		293		271
			-----		-----
			45,543		39,473
Current assets					
Debtors	10	3,381		5,981	
Cash at bank		10,068		5,835	
		-----		-----	
		13,449		11,816	
		-----		-----	
Current liabilities					
Creditors	11	2,055		1,275	
		-----		-----	
Net current assets			11,394		10,541
			-----		-----
Total assets less current liabilities			56,937		50,014
			=====		=====
Funds					
Endowment fund	13		250		250
Restricted funds	13		44,491		39,096
Unrestricted funds:					
Designated capital asset fund	13		7,515		6,315
Designated new Centres development fund	13		12		895
General fund	13		4,669		3,458
			-----		-----
			56,937		50,014
			=====		=====

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


Alan Eisner Director


Laura Lee Director

Date: 23rd May 2018

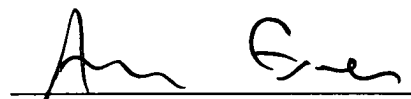
Company Number: SC162451

The notes starting on page 22 form part of these financial statements

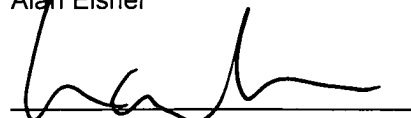
Company Balance Sheet as at 31 December 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	9		45,250		39,202
Investment	9		293		271
			<u>45,543</u>		<u>39,473</u>
Current assets					
Debtors	10	3,163		5,873	
Cash at bank		10,038		5,831	
		<u>13,201</u>		<u>11,704</u>	
Current liabilities					
Creditors	11	1,807		1,163	
		<u>1,807</u>		<u>1,163</u>	
Net current assets			11,394		10,541
Total assets less current liabilities			<u>56,937</u>		<u>50,014</u>
Funds					
Endowment Fund	13		250		250
Restricted Funds	13		44,491		39,096
Unrestricted Funds:					
Designated capital asset fund	13		7,515		6,315
Designated new Centres development fund	13		12		895
General fund	13		4,669		3,458
			<u>56,937</u>		<u>50,014</u>

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


Alan Eisner

Director


Laura Lee

Director

Date: 23rd May 2018

Company Number: SC162451

The notes starting on page 22 form part of these financial statements

Consolidated Statement of Cash flows for the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Cash provided by operating activities	21	11,452	4,803
Cash flows from investing activities			
Interest received		64	61
Purchase of tangible fixed assets		(7,283)	(7,364)
Proceeds from sale of investments		-	10
Purchase of investments		-	(276)
Cash used in investing activities		(7,219)	(7,569)
Increase/(decrease) in cash and cash equivalents		4,233	(2,766)
Cash and cash equivalents at the beginning of the year		5,835	8,601
Cash and cash equivalents at the end of the year		10,068	5,835

Company Statement of Cash flows for the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Cash provided by operating activities	21	11,426	4,802
Cash flows from investing activities			
Interest received		64	61
Purchase of tangible fixed assets		(7,283)	(7,364)
Proceeds from sale of investments		-	10
Purchase of investments		-	(276)
Cash used in investing activities		(7,219)	(7,569)
Increase/(decrease) in cash and cash equivalents		4,207	(2,767)
Cash and cash equivalents at the beginning of the year		5,831	8,598
Cash and cash equivalents at the end of the year		10,038	5,831

The notes starting on page 22 form part of these financial statements

Notes to the financial statements for the year ended 31 December 2017

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 2017

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 2017

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 2017

3. Prior year consolidated statement of financial activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Funds 2016 £'000
Income from:				
Donations and legacies	9,205	9,209	-	18,414
Other trading activities	1,559	416	-	1,975
Investment income	58	-	3	61
Total income	10,822	9,625	3	20,450
Expenditure				
Raising funds				
Raising voluntary income	3,691	253	-	3,944
Fundraising events	656	105	-	761
Charitable activities				
Support, advice and information	5,831	2,517	-	8,348
Total expenditure	10,178	2,875	-	13,053
Net gains/losses on investment	-	5	-	5
Net income and net movement in funds before transfers	644	6,755	3	7,402
Transfers between funds	3	-	(3)	-
Net income and net movement in funds for the year	647	6755	-	7,402

Notes to the financial statements for the year ended 31 December 2017

4. Incoming resources from generated funds

	Unrestricted £'000	Restricted £'000	2017 £'000	2016 £'000
Charitable trusts	801	1,563	2,364	2,429
Statutory and Big Lottery Fund	63	105	168	436
Local community fundraising	3,251	352	3,603	2,954
Companies	902	503	1,405	3,408
Individuals	2,043	5,286	7,329	5,227
Legacies	1,244	101	1,345	660
People's Postcode Lottery	2,245	-	2,245	2,557
Other	108	17	125	743
	10,657	7,927	18,584	18,414

5. Total resources expended

	Costs of Generating Voluntary Income £'000	Cost of Fund- raising Events £'000	Support, Advice and Governance Information £'000	Costs £'000	2017 £'000	2016 £'000
Staff & related costs	3,403	273	5,710	-	9,386	9,081
Programme & Centre						
Running costs	-	-	510	-	510	425
Fundraising costs	526	441	-	-	967	854
Depreciation	7	1	1,224	-	1,232	1,131
Other costs	131	24	282	37	474	517
Premises and running costs	233	19	1,044	-	1,296	1,045
	4,300	758	8,770	37	13,865	13,053

6. Net income for the year

	2017 £'000	2016 £'000
This is stated after charging/(crediting):		
Depreciation	1,232	1,131
Directors' remuneration	154	154
Auditor's remuneration – audit services including VAT	26	22
Auditor's remuneration – non-audit services including VAT	4	15

Employer's pension contributions of £22,175 were paid on behalf of the Chief Executive (2016: £21,995).

7. Staff costs

	2017 £'000	2016 £'000
Salaries	7,564	7,243
Social security costs	787	727
Pension contributions	611	573
	8,962	8,543

Notes to the financial statements for the year ended 31 December 2017

7. Staff costs (continued)

The average number of employees during the period was 200 (2016: 187). The split of the 200 employees is as follows:

	2017 Number	2016 Number
Programme	101	95
Fundraising	78	69
Administration	10	10
Communications	11	13
Total	200	187

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 £395,675 (2016: £391,158).

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 2017 two (2016: three) Directors were paid total expenses of £1,701 (2016: £3,102) 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 £962 (excl tax) for the year to 31 December 2017 (2016: £985).

The number of other employees whose emoluments as defined for tax purposes amounted to over £60,000 in the year was as follows:

	2017 Number	2016 Number
£60,000 - £69,999	6	7
£70,000 - £79,999	3	2
£80,000 - £89,999	2	2
£90,000 - £99,999	1	2
£100,000 - £109,999	1	1
£120,000 - £129,999	1	-
£150,000 - £159,999	1	1

Notes to the financial statements for the year ended 31 December 2017

7. Staff costs (continued)

These employees have retirement benefits accruing under a defined contribution scheme, and NHS Superannuation scheme. Contributions totalling £162,112 were made in the year (2016: £118,663).

	2017 Number	2016 Number
Number of employees with retirement benefits accruing under:-		
Defined contribution schemes	144	145
	=====	=====
NHS Superannuation scheme	51	50
	=====	=====

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 2017	2,160	41,485	1,656	911	46,212
Additions		7,011	258	14	7,283
Disposals	-	-	-	(4)	(4)
At 31 December 2017	2,160	48,496	1,914	921	53,491
Depreciation					
At 1 January 2017	259	4,679	1,192	880	7,010
Charge for year	43	985	196	8	1,232
Disposals	-	-	-	(1)	(1)
At 31 December 2017	302	5,664	1,388	887	8,241
Net book value					
At 31 December 2017	1,858	42,832	526	34	45,250
	=====	=====	=====	=====	=====
At 31 December 2016	1,901	36,806	464	31	39,202
	=====	=====	=====	=====	=====
Investments – group and company					£'000
Market Value at 1 January 2017					271
Disposals					-
Net gain/(loss) on investments					22
Market Value at 31 December 2017					293
					=====
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 in 2016.

Notes to the financial statements for the year ended 31 December 2017

10. Debtors

	2017 £'000	Group 2016 £'000	2017 £'000	Company 2016 £'000
Other debtors and prepayments	3,381	5,981	3,162	5,873
Amounts due from subsidiary undertaking	-	-	1	-
	<u>3,381</u>	<u>5,981</u>	<u>3,163</u>	<u>5,873</u>
	=====	=====	=====	=====

Debtors include accrued legacy income, grants, gift aid and bank interest receivable at 31 December 2017.

11. Creditors

	2017 £'000	Group 2016 £'000	2017 £'000	Company 2016 £'000
Amounts due to subsidiary undertaking	-	-	-	150
Other taxes and social security costs	344	248	344	248
Other creditors	1,318	854	1,070	592
Accruals	24	22	24	22
Deferred income	369	151	369	151
	<u>2,055</u>	<u>1,275</u>	<u>1,807</u>	<u>1,163</u>
	=====	=====	=====	=====

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

	£'000
Deferred income comprises:	
Brought forward	151
Released to incoming resources during the year	(1)
Deferred in year	219
	<u>369</u>
Carried forward	=====

12. Analysis of net assets between funds

	Endowment Funds £'000	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
Tangible fixed assets	-	37,735	7,515	293	45,543
Net current assets	250	6,756	12	4,376	11,394
	<u>250</u>	<u>44,491</u>	<u>7,527</u>	<u>4,669</u>	<u>56,937</u>
	=====	=====	=====	=====	=====

Notes to the financial statements for the year ended 31 December 2017

13. Movement in funds

		At 1 January 2017 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 December 2017 £'000
Endowment fund:						
Blakenham fund	(i)	250	2	-	(2)	250
		=====	=====	=====	=====	=====
Restricted funds:						
Centres capital campaign funds	(ii)	38,361	7,028	(1,347)	-	44,042
Restricted revenue funds:	(iii)					
Centre programme funds		628	1,095	(1,274)	-	449
Big Lottery Fund for Maggie's Newcastle		36	-	(36)	-	-
Big Lottery Fund for Maggie's Liverpool		58	-	(58)	-	-
Fundraising and publicity funds		13	-	(13)	-	-
		-----	-----	-----	-----	-----
Total restricted funds		39,096	8,123	(2,728)	-	44,491
		=====	=====	=====	=====	=====
Unrestricted funds:						
Designated funds:						
Capital asset fund	(iv)	6,315	-	(43)	1,243	7,515
New Centres Development Fund	(v)	895	-	(120)	(763)	12
General fund	(vi)	3,458	12,666	(10,977)	(478)	4,669
		-----	-----	-----	-----	-----
Total unrestricted funds		10,668	12,666	(11,140)	2	12,196
		=====	=====	=====	=====	=====
Total funds		50,014	20,791	13,868	-	56,937
		=====	=====	=====	=====	=====

The above funds carried forward at 31 December 2017 represent:

- (i) Blakenham fund - A donation of £250,000 to be invested to provide annual income to be used for the purposes of running Maggie's Cancer Caring Centres. The income for the year, £2,000, has been transferred to the general fund.
- (ii) Centres capital funds – restricted grants and donations received as part of the campaigns to develop 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 2017

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). Expenditure relates to the utilisation of funds for the operating costs of the relevant Centre, costs of fundraising. The transfer represents £763,000 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 £478,000 represents £138,000 of capital expenditure on operational Centres and £343,000 shortfall of funding on the Forth Valley Centre transferred to the Capital Asset fund partly offset by £2,000 income transferred from the Endowment fund.

14. Charity statement of financial activities

	Total Funds 2017 £'000	Total Funds 2016 £'000
Income from:		
Donations and legacies	18,584	18,414
Other trading activities	2,121	1,975
Investment income	64	61
	-----	-----
Total income	20,769	20,450
	=====	=====
Expenditure		
Raising funds	5,058	4,705
Charitable activities*	8,807	8,348
	-----	-----
Total expenditure	13,865	13,053
	=====	=====
Net income and net movement in funds for the year	6,904	7,397
Net gains on investments	22	5
Loss on disposal of asset	(3)	-
	-----	-----
Total funds at 1 January 2017	50,014	42,612
	-----	-----
Total funds at 31 December 2017	56,937	50,014
	=====	=====

*The cost of charitable activities does not include £7.280 million (2016: £7.364 million) of capital expenditure on building new Centres as shown in note 9.

Notes to the financial statements for the year ended 31 December 2017

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 2018 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.

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 19th July 2017 The Delegation of Maggie's Foundation was dissolved.

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 (2016: 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	2017 £'000	2016 £'000
Capital expenditure contracted for but not provided in the financial statements	10,090 =====	5,731 =====

Funds are in place, either in cash or pledges to meet these commitments.

Notes to the financial statements for the year ended 31 December 2017

18. Other financial commitments

At 31 December 2017 the Trust had total future minimum lease payments under non-cancellable operating leases expiring as set out below:

	2017 £'000	2016 £'000
Land & buildings		
Expiring within one year	35	33
Expiring over five years	1,739	1,938
	=====	=====

Payments made under land and buildings operating leases in the year amounted to £234,337 (2016: £227,317).

	2017 £'000	2016 £'000
Other assets		
Expiring less than one year	2	3
Expiring within one to two years	20	9
Expiring within two to five years	42	74
	-----	-----
	64	86
	=====	=====

Payments made under other operating leases in the year amounted to £38,000 (2016: £38,000).

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 14.38% of salary for the England and Wales scheme and 14.9% for the Scottish scheme. The total pension charge for the year was £611k (2016: £573k). Pension costs outstanding at 31 December 2017 were £128k (2016: £37k).

20. Contingent liabilities

There are two completed Centres where a formal lease has not been signed with the appropriate Health Authority. These will be signed as soon as legal formalities are concluded.

21.Reconciliation of net movement in funds to net cash flow from operating activities	2017 Group £'000	2016 Group £'000
Net movement in funds	6,923	7,402
Deduct interest income shown in investing activities	(64)	(61)
Deduct gains/add back losses on investments	(22)	(5)
Add back losses on fixed asset disposals	3	-
Add back depreciation	1,232	1,131
Decrease/(increase) in debtors	2,600	(3,805)
Increase in creditors	780	141
	-----	-----
Net cash provided by operating activities	11,452	4,803
	=====	=====

Notes to the financial statements for the year ended 31 December 2017

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

	2017 Company £'000	2016 Company £'000
Net movement in funds	6,923	7,402
Deduct interest income shown in investing activities	(64)	(61)
Deduct gains/add back losses on investments	(22)	(5)
Add back losses on fixed asset disposals	3	-
Add back depreciation	1,232	1,131
Decrease/(increase) in debtors	2,527	(3,831)
Increase in creditors	827	166
	<u>11,426</u>	<u>4,802</u>
Net cash provided by operating activities	=====	=====

22. Split between operating and campaign income and costs in the consolidated statement of financial activities.
For the year ended 31 December 2017

	Notes	Normal Operating Activities £'000	Capital Campaigns £'000	Funds 2017 £'000
Income from:				
Donations and legacies	4	11,613	6,971	18,584
Other trading activities:				
Running, hiking and other events		2,064	57	2,121
Investment income		64	-	64
		<u>13,741</u>	<u>7,028</u>	<u>20,769</u>
		=====	=====	=====
Expenditure				
Raising funds				
Costs of generating voluntary income	5	4,254	46	4,300
Cost of fundraising events	5	741	17	758
Charitable activities				
Support, advice and information	5	8,555	215	8,770
Governance costs	5	37	-	37
		<u>13,587</u>	<u>278</u>	<u>13,865</u>
		=====	=====	=====
Surplus		154	6,750	6,904
Net gains on investments		22	-	22
Loss on disposal of fixed asset		(3)	-	(3)
Depreciation included in above resources expended		1,232	-	1,232
		<u>1,405</u>	<u>6,750</u>	<u>8,155</u>
		=====	=====	=====
Operating surplus				