

MAKE-A-WISH FOUNDATION® UK
(Company Limited by Guarantee)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2018

Charity Registration Number (England and Wales): 295672

Charity Registration Number (Scotland): SC037479

Company Number: 2031836

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MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
PERIOD ENDED 31 AUGUST 2018

The trustees, who are also directors and members of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity and the group for the 8-month period ended 31 August 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities'.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number
2031836 (England and Wales)

Registered Charity Numbers
295672 (England and Wales)
SC037479 (Scotland)

Principal & Registered Office
Seventh Floor
Thames Tower
Station Road
Reading
Berkshire
RG1 1LX

Trustees

Per Harkjaer	Chairman
David Hockley	
Damian Thornton	
Brian Robinson	
Catherine Salter	
Ed Smith	
Kara Cauter	Appointed 01/04/2018
David Gold	Appointed 06/08/2018
Sir Craig Oliver	Appointed 26/09/2018

Key Personnel and Senior Management Team

Jason Suckley	Chief Executive
Elizabeth Sell	Director of Finance
Joanne Micklewright	Director of Wishgranting – left 30/04/2018
Jenny Cook	Director of Wishgranting – joined 27/06/2018
Alice Collins	Director of Fundraising & Marketing – maternity from 17/01/2018 to 24/09/2018
Andy Holland	Director of Fundraising & Marketing – interim from 01/01/2018 to 30/09/2018
Mark Curtin	Director of Operations to 04/06/2018, then Director of Strategy & Business Transformation
Marcus Lee	Director of HR & Volunteering to 04/06/2018, then Director of People & Culture

Company Secretary
Lisa Taylor

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
PERIOD ENDED 31 AUGUST 2018

Auditors

haysmacintyre
10 Queen Street Place
London
EC4R 1AG

Solicitors

Penningtons
Highfield
Brighton Road
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Principal Bankers

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Farnborough
Hampshire
GU14 7JP

Investment Managers

Barclays Wealth
1 Churchill Place
Canary Wharf
London
E14 5HP

CHAIRMAN'S STATEMENT

In 2017, we made a decision to change our financial year end from 31 December to 31 August. To effect this change, this set of Annual Accounts are based on an 8-month period, while the comparators are for the 12 months to 31 December 2017. The reasoning behind this change is due to the fact that we generate a large proportion of our fundraising income in the final few months of the calendar year. As a result of moving this income to the first quarter of our financial year, it should make it easier for us to plan and manage the finances of the organisation, and as an affiliate of Make-A-Wish International®, it also brings our reporting into line across our global network.

We entered 2018 in a strong financial position having achieved considerable growth across all areas of our fundraising in 2017. One of our key priorities in 2018 was to translate fundraising success into the growth of our wishes. We are delighted to say that, as we exit this short financial year, we are on track to grant the wishes of around 1,000 children in 2018.

Our fundraising continues to support the growth of wishes. In comparison to the first 8 months of 2017, income has grown by 17%. This exceptional performance was made possible by the passion and generosity of our supporters and partners. Given our ambition to reach more children is dependent upon the growth of fundraising income, we are extremely grateful for this support.

Given the seasonality of our income, we expected to generate a deficit in this short financial year. However, despite the increased number of wishes we are granting, this deficit was less than expected at £405k. As a result, we entered the 2018/19 financial year with reserves of around 8 ½ months, well above our policy of 6-7½ months.

Our strong financial position enables us to continue to grow the number of wishes we grant, whilst investing in our capability to sustainably reach more children in the longer term. With this in mind, in 2018 we launched a programme of transformation – 'Reach Every Child'. We know there are thousands of children facing a critical illness whose lives could be changed through the impact of a wish. Our ultimate aim is to reach every one of these children with an impactful wish. The first stage of the programme was to establish a "Hub" for the Make-A-Wish community to serve as a base for our employees, and to increasingly become a focal point for our volunteers, partners, supporters and wishes. This was successfully completed via the move of our Head Office from Camberley to Reading in May 2018. Over the next 2-3 years, Reach Every Child will strengthen our capability to grow the number of wishes we grant without an equivalent growth in salaries across the organisation. We are seeking to achieve this through investment in technology, processes and people, and continuing to enhance the role of volunteers, communities and partners.

Alongside reaching more children, we are committed to increasing the impact of our wishes. Each of our wishes is supported by a Wish Journey, which seeks to identify the One True Wish of the child in order to design and grant the wish according to their unique dreams and aspirations. In 2018 we commissioned a programme of research, in partnership with a team from Aston University. This research, the results of which will be published in 2019, will enable us to better understand the impact of our wishes and to use this understanding for the ongoing development of the Wish Journey.

We aim to change as many lives as possible, as much as possible. This sits at the heart of the strategic plan for 2018-21, approved by the Board of Trustees in August 2018. This plan, an iteration of previous versions, sees us granting 1,700 wishes in 2020/21 through a community of people inspired by the power of a wish. Over this period we will be increasingly able to build our understanding of impact into each and every wish. None of this would be possible without the help of our supporters, volunteers and partners. For this, we are forever grateful.



P Harkjaer
Chairman

Date: 3/12/18

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity was incorporated on 26 June 1986 and amended by a Special Resolution dated 17 December 2007. It is controlled by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment, Appointment and Induction of New Trustees

The charity's Articles of Association provide for a quorum of four members. Our governance guidelines, published and available on our website, specify that in general the Board will be between seven and twelve in number. Where there is a requirement for new trustees, these would be recruited and appointed by the Chairman and existing trustees. The Chairman and Chief Executive are responsible for the induction of any new trustees, which involves awareness of a trustee's responsibilities, the expectation of the Board and Trustees, the role of the Committee and Advisory Groups supporting Make-A-Wish, and the Scheme of Delegation.

Governance

The trustees delegate the day-to-day running of the charity to the Chief Executive and he, in turn, works with senior managers across the organisation. In terms of decision-making, the trustees' main contribution is at a strategic level, with the finances of the organisation given greater scrutiny by the Finance and Performance Committee. Advice on senior appointments, diversity and reward are led through the Nomination & Remuneration Committee.

The Articles provide for a maximum term for trustees of 9 years. In practice, unless special circumstances exist, trustees serve a maximum of six years, consisting of two consecutive three year terms.

Our ability to make the right decisions to achieve our mission and goals, in a way which is consistent with our values and behaviours, is key to the future success of the charity. With this in mind, over the course of 2017, we developed a governance handbook which clarifies our expectations of trustees and executives, and provides a framework for efficient and effective decision-making. This handbook can be found on our website.

The Board of Trustees establishes Board Committees as it considers necessary from time to time, to provide advice, manage processes, and deliver more detailed scrutiny of certain areas than is feasible in the board's programme. Board Committees are non-executive except where defined tasks or authority is assigned.

The current committees in place are the Finance and Performance Committee, the Nomination and Remuneration Committee, Fundraising and Marketing Advisory Group, and the Wishgranting Advisory Group.

Key management salaries are benchmarked against similar roles in the same sector, and in addition we have a policy that the highest paid employee's remuneration will not be greater than 5 times the lowest paid full time equivalent. Our Chief Executive's salary is £86,700, and directors are in a salary band between £62,424 and £84,660. Our values are based on trust and integrity; we are keen to be as clear and transparent as possible for our supporters and the children who we serve.

The Head Office was based in Camberley, Surrey, however we completed an office move in May 2018 to Reading, Berkshire. For most employees the office is their normal place of work, but this relocation is key to us facilitating new ways of working for all our colleagues. Therefore a flexible working environment has been incorporated at Make-A-Wish, allowing staff to work from home or at the Hub. We also still have home-based Regional Fundraising Managers working remotely.

Make-A-Wish Foundation UK has a wholly-owned subsidiary, Make-A-Wish Promotions Limited, which is the trading company for the charity. All operating profits of Make-A-Wish Promotions Limited are gifted to Make-A-Wish Foundation UK.

Make-A-Wish Foundation International®

Make-A-Wish Foundation UK is affiliated to Make-A-Wish Foundation International and, as such, is a member of the largest wishgranting network in the world: Make-A-Wish Foundations now cover more than 50 different countries across the globe. Make-A-Wish Foundation UK licenses the name "Make-A-Wish", and associated marks, from Make-

A-Wish Foundation International (MAWFI), which in turn licenses the name from Make-A-Wish Foundation of America (MAWFA). Both MAWFI and MAWFA are non-profit 501(c)(3) organisations in the United States.

Related Parties

There are no related parties.

STRATEGIC REPORT

Mission and Goals

Our mission is to create life-changing wishes for children with critical illnesses. In order to do this, we have several strategic goals:

Every wish journey will have a life-enhancing positive impact for a wish child and their family

In order to better understand the impact of our wishes, we have launched a programme of Wish Impact Research in partnership with Aston University. They have conducted one-to-one meetings with over 30 children and families across the UK, and are hoping to reach over 100 wish children and their families with an online survey to gain in-depth feedback on their experiences. This will allow us to develop a deeper understanding of the impact of a wish and allow us to identify areas where we can improve what we do. The research will be analysed at the end of 2018, with a report due early 2019. We plan to publish the resulting paper and communicate the outcomes to all our stakeholder groups.

Grant a life-changing wish for every eligible child

We are on course to grant over 1,000 wishes in the 2018 calendar year, more than ever before. We also launched Reach Every Child, a 3-year programme designed to strengthen our capability to sustainably grow the number of wishes we grant.

More people believe every eligible child needs a life-changing wish

2017 saw us positioned at 24 in the Charity Brand Index, 3 places higher than 2016. We ranked 4th out of 151 charities for trust by the public. The next Charity Brand Index report is due in Autumn 2018. During 2018 we have undertaken further insight work to help us understand our audiences and their motivations in supporting us, so we can translate this into more relevant marketing and fundraising messaging.

Accelerate sustainable growth of income and resources

In the first 8 months of 2018 we grew our total income by 17% vs the same period in 2017.

Public Benefit

The trustees confirm they have complied with the requirement in section 17 of the Charities Act 2011, to have due regard to public benefit in determining the activities undertaken by the charity. As a charity, we are keen to emphasise the public benefit that we believe our work provides. Our wishes are available to any child or young person, aged 3 to 17, living in the UK, diagnosed as having a critical illness and who has not previously received a wish from another wishgranting organisation.

We are driven by the needs of the children who turn to us. To ensure we are granting every eligible child's One True Wish, we have specially trained Wish Visitors, volunteers who visit the child and their family to help discover the child's One True Wish. By getting to the bottom of why a child has chosen their wish, we are able to customise and tailor the wish to the child's individuality and needs, thereby granting the most impactful wish possible.

We truly believe that every child's wish is different, and their motivations for wishing it are unique only to them. Whether that wish is to be a princess or a police officer for a day, own the latest computer equipment, meet a favourite celebrity or enjoy a special holiday with their family, we strive to make those wishes a life-changing reality that transforms the child's life at a time when they need it most.

A wish provides the child strength to cope and resilience to fight their condition. It gives them hope for the future in anticipation for their wish to come true. It provides confidence, a sense of well-being, and time with their family to create memories for them and their family to treasure forever.

The positive effects of a wish go further than the wish child and their family. A wish impacts the child's neighbours and school, members of the local community, celebrities and even the employees of suppliers involved with granting the wish. A wish can have a positive effect on entire communities.

Through our Sponsor-A-Wish program, we are allowing our supporters to give directly to a child's wish, showing how their contribution has made a direct impact to the child's life. This brings our donors closer to the children we serve and gives positive impact to them through their donation.

SIGNIFICANT ACTIVITIES

Referrals and Wishes Granted

Between 1 January and 31 August 2018, we have granted a total of 678 wishes to critically ill children and young people (905 granted in Jan-Dec 2017). Projecting this rate of progress to 31 December, 2018 will be our most successful wishgranting year. We predict by the end of 2018 we will have granted the wishes of over 1,000 children in the UK – the most we have ever granted in a year.

All of the wishgranting sector has noticed a rise in the requests for travel wishes. In 2018, our wishes were split 55% travel, and 45% UK/Other (51% travel, 49% UK/Other in 2017). However we have not seen the unprecedented numbers impacting similar charities, which we believe is down to our process of Wish Visitors capturing the child's One True Wish.

In addition to UK wishes, from 1 January to 31 August 2018, we have granted 85 wishes for our international affiliates (161 in Jan-Dec 2017). This figure is down on last year due to a drop in requests for travel to the UK, in particular from the US, the reason of which is unknown but being investigated.

Wish Qualifications

We have reviewed our qualifications process, removing excess form-filling, and being clearer of our eligibility criteria for children up front in order to manage expectations around qualification for a wish.

We have started to develop relationships with other professional and charitable organisations that are keen to work with us to refer more eligible children for wishes to be granted. These partnerships will support children and young people to access their Wish Journey in a more timely manner. We will be running pilots with these organisations in 2018/19 to understand the impact of the new process, and we will be promoting our partnership working.

Capturing a child's One True Wish

In 2018, we have refreshed our approach to capturing the One True Wish of a child and have seen the retirement of some of our volunteers, and the recruitment of an additional 100 Wish Visitors. A new training package has been developed with a community-focus and new training based on the golden thread of capturing the child's One True Wish will be rolled out in 2018/19.

The Wish Journey

In 2018, the Wish Journey has continued to be key in helping us create impactful wish experiences for the critically ill children who turned to us.

Capturing a cherished wish awakens the imagination, creates excitement and empowers the child to dream. It is the start of a powerful Wish Journey in which the anticipation of the wish is as important as the actual experience of the wish coming true. The power of a wish transcends the wish child and impacts the family and the community, we call this the ripple effect.

The Wish Journey is purposely designed to aid physical and emotional healing through building strong positive experiences, applying principles of positive psychology. An essential complement to the medical process it also provides laughter, fun, and creates amazing memories that continue to inspire confidence and strength long after the wish has been granted.

Granting wishes through corporate collaborations

In 2018, we developed a long-term partnership with Give Kids the World, Thomas Cook and Caribbean Cruises. Thanks to these strategic partnerships, we have been able to negotiate rates to ensure these wishes can be sustainable. This in turn helps to ensure we are granting the One True Wish of the children that turn to us, and providing the most impactful wishes we possibly can. In 2018/19, we are looking to pilot the re-introduction of the Disney World Florida wish experience.

Fundraising

Excluding legacy income, our gross fundraising income grew by £590,696, a 16.6% increase on January to August 2017. Given that our aim is to achieve sustainable growth of wishes and income, it was particularly pleasing that we saw growth across a number of different areas of fundraising from January to August, which supported a challenging year for areas such as community fundraising and challenge events.

Our legacy income grew by £73,350, a 29% increase on January to August 2017 (£676,293 for 2017 full 12 months)

In 2018, our total fundraising income (donations & legacies, including donations in kind, plus other trading activities) was £4,482,257 up 17.4% on January to August 2017 (2017 Jan-Dec - £10,620,275). In order to meet increased demand for wishes, we are seeking to both grow income and utilise our resources more effectively.

Corporate Partnerships and High Value Events

We received substantial support from a number of major corporate partners including The Original Factory Shop, Poundland, Angel Springs, Adecco, Kohler Mira, Legacy Education Alliance, Avis and The Walt Disney Company. Our dedicated Valentines Ball committee took the decision to change the date of the event from February to May and rebranded as The Spring Ball, which was a successful evening. Our other main event, The Winter Ball, did not take place in this 8-month period.

Our partner Clothes Aid delivered 567,555 bags during this period.

Mass Fundraising

We had 9 active fundraising groups, 706 supporters held fundraising events and 948 people walked, ran, cycled or skydived in order to raise funds for us, including the new London Landmarks Half Marathon, which we were a Big Ben partner for. 7,960 individuals gave us donations through one-off gifts, regular gifts by direct debit, payroll giving or a gift left in their will. To them, and to all those who gave financial and in-kind assistance during the year, including the many celebrities who have supported our activities, we express our sincere thanks. We could not grant life-changing wishes without you.

Communications and Complaints

We communicate with our supporters through a variation of email, direct mailings and telephone calls. We have recruited new supporters in 2018 through online advertising, social channels, website and payroll giving. Fundraising via digital channels has been a focus. New tools such as Facebook Donate have enabled us to continue to grow income in this area, with an investment case agreed for the next financial year.

We are registered with the Fundraising Regulator and commit to our fundraising being legal, open, honest and respectful, meeting the standards set in the Fundraising Code of Practice. We also ensure that nobody who appears to be vulnerable is asked to commit to giving. We have a complaints policy published on our website and we received a total of 16 complaints. One of these was escalated to the Fundraising Regulator, this complaint related to clothing collections.

Policies

1. The safety and well-being of all the children and young people we work with is at the heart of everything we do. A new comprehensive Safeguarding and Child Protection Policy was published in February 2017. Staff and volunteers undertook training, and the Safeguarding Board undertook a number of monitoring and safeguarding matters. A review of practices and planning of advanced future policy, practice and training needs, is planned for 2018-19 in consultation with the NSPCC. The Safeguarding Board monitors policy compliance and address any safeguarding matters that arise. The board is directly accountable to Per Harkjaer

(Chair of Trustees). We are committed to providing a safe and child-friendly environment so that all children and young people we work with can benefit from the magic of a wish.

2. In preparation for legislative changes (GDPR and Data Protection Act 2018), in April 2018 we completed the first phase of a GDPR and Data Privacy Readiness and Compliancy Programme, which identified the scale and scope of policy and practice changes, together with organisational training requirements. In June 2018 we initiated phase 2, a development programme to ensure that policy, practice and staff and volunteer training would enable us to become increasingly compliant, and capable of ensuring that all data is managed effectively. This also included the appointment of an independent 3rd party Data Protection Officer and Data Privacy Improvement Consultant from Chaucer Ltd. This will be an ongoing programme of development into the next financial year.

Volunteers and Supporters

Make-A-Wish UK was established by volunteers and the contribution of our volunteers is crucial to our work today.

Our 854 volunteers enable us to visit wish children to explore the motivation behind their wish, which is a key part of their Wish Journey. This helps to ensure that each and every wish has the greatest positive impact on the child and their family.

Volunteers help us deliver wishes, such as a child wanting to be a train driver, or helping arrange a Peppa Pig party. Our public speakers and fundraising groups raise both awareness of, and funds for, our wishes. Our teams of volunteers who cheer our runners at events (such as the 70 volunteers at our themed cheer point at the London Landmarks Half Marathon) help us ensure our supporters have the best experience possible. Furthermore, volunteers within each team support tasks in the Community Hub, or contribute their skills remotely.

92% of our volunteers would recommend Make-A-Wish as a great place to volunteer and we want every one of our volunteers and employees to feel this way. We are one team and one community who, together, transform the lives of children through wishes.

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

In 2018 there was a significant decline to our income (excluding legacies) of £5,788,080 compared to 2017. The main reason behind this is it being an 8-month financial year, and September to December are our biggest months for fundraising income. 2017 also included the inaugural Art of Wishes event, raising £2.4m, which we have planned to happen biennially.

Just over three quarters of our income was split across four income streams Community Fundraising, Corporate Partners, Individual Giving and Challenge Events. The remaining quarter was received through Special Events, Legacies and Major Donors. Over the course of 2018/19 and beyond, we will continue to focus on increasing our underlying fundraising income across all income streams as the basis for sustainable growth.

FINANCIAL REVIEW

Financial Performance

When deciding to move to a 31 August financial year end, the trustees were aware that this would mean a deficit in the short transitional year, as our most successful fundraising period is Autumn to Christmas. There were sufficient reserves at the end of 2017 to effect this change and still be ahead of our reserves target, assisted by the surplus made from the sale of the Camberley property.

Prior year comparators in this report must be the audited figures and so 2017 data is for a 12-month period. In the table on the following page, and in Appendix 1, we show the unaudited figures for the period January to August 2017, in order to give a clearer comparison with the audited 2018 performance.

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
PERIOD ENDED 31 AUGUST 2018

	Audited 2018 8 months	Unaudited 2017 8 months	Audited 2017 12 months
Income excluding building sale	4,567,701	3,880,028	10,706,170
Expenditure			
Raising funds	2,140,145	1,789,454	3,480,020
Charitable activities	<u>3,564,841</u>	<u>2,852,903</u>	<u>5,836,969</u>
Total expenditure	5,704,986	4,642,357	9,316,989
Net expenditure before investments	<u>(1,137,285)</u>	<u>(762,329)</u>	<u>1,389,181</u>
Building sale	700,117	-	-
Net income/(expenditure) before gains on investments	<u>(437,168)</u>	<u>(762,329)</u>	<u>1,389,181</u>

In the 8-month reporting year, Make-A-Wish's total income including fundraising, legacies, donations in kind and other non-fundraising income was £4,567,701 (2017 £10,706,170). We invested £2,140,145 in raising this income and spent £3,564,841 in support of our core objectives, leaving a deficit of £437,168 after investment gains and the net surplus from the sale of the Camberley property.

Over the course of the year, 63 pence of every pound spent by the charity was spent on charitable activities, which is the same amount as in the previous year. Our average cost of wishes in progress at year end increased from £3,170 in 2017 to £3,219, which is partly due to the increased proportion of travel wishes.

The charity's wholly owned trading subsidiary, Make-A-Wish Promotions Limited, achieved profit of £82,443 (2017 £2,372,206). Much of the corporate income that goes through this company is secured in the autumn/Christmas period, and 2017 included the exceptional event The Art of Wishes, which is why the 2017 income was exceptionally high.

Reserves Policy

The general reserves are required by the charity to meet its objectives of granting more wishes, to provide working capital to enable it to progress to complete its long-term development objectives, to protect its current activities, and to allow the trustees to meet their responsibilities and ensure the charity continues on a going concern basis.

At the balance sheet date of 31 August 2018, the total reserves were £6,302,826. This figure has already taken into account our commitment towards wishes approved but not yet granted, where we make a full provision for all anticipated costs still to be incurred: for 2018, this amounted to 584 wishes totaling £1,457,234 (2017 659 wishes totaling £1,977,200).

The Reserves Policy requires that the charity holds free reserves of between 6 and 7 ½ months cover of all of the following year's expenditure. The assessment of free reserves takes the wish provision into account but excludes any Restricted Funds (£144,228) and the Designated Fixed Asset Fund (£414,905) - see note 22 for the definition of these funds.

The cover at the end of 2018 is £7,200,927, which is 8 ½ months (2017 £7,815,809, 11 ½ months); the budget for 2018/19 includes the planned investment in our Reach Every Child programme.

Going Concern

The trustees constantly examine the needs, risks, challenges and prospects faced by the charity and consider these reserves commensurate with the charity's requirements for the foreseeable future.

Principal Funding Sources

Make-A-Wish UK has a broad funding base, attracting support from a wide range of sources, including: corporate supporters (large and small), individual donors (giving on either an ad hoc basis or in a more regular way), fundraising events, individual and group challenge activities, community and volunteer fundraising groups, legacies and recycling schemes.

The trustees recognise the importance of developing and maintaining a variety of revenue sources, thus providing continued stability of income in the future, and maintaining this breadth and variety of income source will remain a key component of our long term fundraising strategy.

Investment Policy and Performance

The trustees approved an Investment Policy in February 2014, which set out revised investment parameters in line with the charity's cash management requirements, and confirmed the governance structure which provides transparency over the investments and their levels of financial return.

A significant amount of the reserves has been invested in a relatively liquid portfolio managed by Barclays Wealth, a division of Barclays, with the aim of investing to maximise long term growth with a risk profile of 'moderate'. The trustees authorised £500,000 to be added to the portfolio in February 2018.

In April 2018 the trustees agreed to liquidate the existing holdings and invest the portfolio in the Barclays Charity Fund, which provides us with a very similar investment profile but lower fees. A further £500,000 was invested in July 2018.

Investment performance is monitored regularly and reported quarterly to the trustees. The portfolio performance for the period was 1.82% before fees (1.19% after fees) compared to the benchmark of 0.12% (8.8% before fees and 7.9% after fees in 2017).

FUTURE DEVELOPMENTS

2018/19 and Beyond

Our aspirations are guided by our mission and goals stated in the 2018-2021 Three Year Strategic Plan. Within our plan we set out to achieve four strategic goals;

Goal 1: Every Wish Journey will have a life-enhancing positive impact for a wish child and their family.

In 2018/19 our priority is to define and understand impact, which will largely be achieved through independent research carried out by Aston University. This will be further supported with the development of child-focused insights gained from an emerging Children and Young Person's Advisory Group.

Goal 2: We aim to grant a life-changing wish for every eligible child.

In 2018/19 we will progress our Reach Every Child business transformation programme, initiating a number of transformational change programmes across Processes, People & Culture Development, Technology Advancement and the emergence of a new Communities Strategy. In addition we will continue to grow our reach by aiming to grant 1,260 wishes in the financial year.

Goal 3: More people believe every eligible child needs a life-enhancing wish.

In 2018/19 our priority in pursuit of this goal is to focus on our marketing, and using insight to understand our audiences, and identify and drive new approaches, to reach more people with our message. Our ultimate goal is to increase action that impacts revenue, but we are also concerned with eligible referrals and ensuring our brand drives engagement that attracts and retains more supporters.

Goal 4: We aim to accelerate sustainable growth of income and resources.

In 2018/19 our primary focus in pursuit of this goal will be to diversify our portfolio of income streams through the development of communities.

PRINCIPAL RISKS & UNCERTAINTIES

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. A dynamic risk register approach is adopted, maintained and formally reviewed by the trustees twice a year and more frequently on an informal basis.

The Trustees consider the key strategic risks to be:

- The sustainability of fundraising growth
- Demand exceeding our ability to grant wishes
- Increase in average wish costs due to demand for expensive wishes
- Culture and reputation being aligned to the mission and values
- The capability to undertake an ambitious business transformation programme

The mitigation of these risks is embedded within the 2018-21 Strategic Plan's activities and programmes of work.

Sustainable fundraising growth - A continued focus on a diversified portfolio of income streams.

Demand exceeding our ability to grant wishes – Organisational capability improvements primarily achieved through Reach Every Child strands will enhance, advance and strengthen our organisational capability to grow the number of children we reach.

Increase in average wish costs – Adoption of a number of cost control measures underpinned by the development of performance management and development approach and enhancement of our capabilities through Reach Every Child (primarily through developing partnerships within our Communities Strategy strand) will all work to ensure we mitigate this risk.

Culture and reputation – The commitment of leadership to use our values and behaviours as the basis for making key decisions is the primary mitigating action approach. These are embedded through our people practices and behavioural framework, 'A Magical Place To Be'.

Business transformation capability – Establish a Strategic Steering Group and adopt robust project and programme management approaches, underpinned by a quality framework and an agile approach. Aim to mitigate the risks of capability shortfalls in undertaking the Reach Every Child programme.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also directors of the charitable company, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP ;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and group enabling them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees 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.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, haysmacintyre, will be proposed for reappointment at the next Annual General Meeting.

The Trustees' Report incorporates the Strategic Report, which has been approved and authorised for issue by the board.

ON BEHALF OF THE BOARD:



P Harkjaer – Chair of Trustees

Date:

31/12/18

Opinion

We have audited the financial statements of Make-A-Wish Foundation UK for the period ended 31 August 2018, set out on pages 15 – 30, which comprise the Consolidated Statement of Financial Activities, Group and Charitable company Balance Sheets, the Group Cash Flow Statement 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 of the parent charitable company's affairs as at 31 August 2018 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the period 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 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 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 trustees are responsible for assessing the group's and the 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.

Auditor's responsibilities for the audit of the financial statements

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.

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 the 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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 Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates 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 Charity Accounts (Scotland) Regulations (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

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, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)
For and on behalf of haysmacintyre, Statutory Auditors
Date 4/3/19

10 Queen Street Place
London
EC4R 1AG

MAKE-A-WISH FOUNDATION® UK
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE CONSOLIDATED INCOME
AND EXPENDITURE ACCOUNT
PERIOD ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 8 Months £	Unrestricted Funds £	Restricted Funds £	Total 2017 12 Months £
INCOME AND EXPENDITURE							
INCOME FROM							
Donations and legacies	3	2,865,727	95,663	2,961,390	4,213,256	380,401	4,593,657
Charitable activities	4	19,047	-	19,047	34,243	-	34,243
Other trading activities	5	1,437,330	83,537	1,520,867	5,835,513	191,105	6,026,618
Investment income	6	66,397	-	66,397	51,652	-	51,652
Other income	7	700,117	-	700,117	-	-	-
Total		5,088,618	179,200	5,267,818	10,134,664	571,506	10,706,170
EXPENDITURE ON							
Raising funds	8	2,136,341	3,804	2,140,145	3,480,020	-	3,480,020
Charitable activities	9	3,111,570	453,271	3,564,841	5,481,427	355,542	5,836,969
Total		5,247,911	457,075	5,704,986	8,961,447	355,542	9,316,989
Net (expenditure)/ income before gains on investments		(159,293)	(277,875)	(437,168)	1,173,217	215,964	1,389,181
Net gains on investments	16	31,913	-	31,913	144,731	-	144,731
Net movement in funds		(127,380)	(277,875)	(405,255)	1,317,948	215,964	1,533,912
Reconciliation of funds							
Total funds brought forward		6,285,978	422,103	6,708,081	4,968,030	206,139	5,174,169
Total funds carried forward		6,158,598	144,228	6,302,826	6,285,978	422,103	6,708,081

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

Except for gains/(losses) on investments, there is no difference from the results above and the historical cost position.


The notes on pages 18 to 30 form part of these accounts.

		Group		Charity	
		As at 31 Aug 2018 £	As at 31 Dec 2017 £	As at 31 Aug 2018 £	As at 31 Dec 2017 £
	Notes				
FIXED ASSETS					
Tangible assets	15	414,905	447,369	414,905	447,369
Investments	16	4,024,690	2,669,047	4,024,690	2,669,047
		<u>4,439,595</u>	<u>3,116,416</u>	<u>4,439,595</u>	<u>3,116,416</u>
CURRENT ASSETS					
Stock	18	27,926	12,122	19,778	12,122
Debtors	19	1,891,007	3,094,692	1,858,073	3,884,789
Cash at bank and in hand		2,459,945	3,978,180	2,394,407	2,207,358
		<u>4,378,878</u>	<u>7,084,994</u>	<u>4,272,258</u>	<u>6,104,269</u>
CREDITORS: amounts falling due within one year	20	<u>(2,515,647)</u>	<u>(3,493,329)</u>	<u>(2,491,470)</u>	<u>(2,512,604)</u>
NET CURRENT ASSETS		<u>1,863,231</u>	<u>3,591,665</u>	<u>1,780,788</u>	<u>3,591,665</u>
NET ASSETS		<u>6,302,826</u>	<u>6,708,081</u>	<u>6,220,383</u>	<u>6,708,081</u>
FUNDS					
General funds	22	5,743,693	5,838,609	5,661,250	5,838,609
Restricted funds		144,228	422,103	144,228	422,103
Designated funds		414,905	447,369	414,905	447,369
TOTAL FUNDS	23	<u>6,302,826</u>	<u>6,708,081</u>	<u>6,220,383</u>	<u>6,708,081</u>

The net movement in funds for the period relating to the parent charity alone amounted to £(487,698).

The financial statements were approved and authorised for issue by the Board of the Trustees on 3/12/18 and were signed below on its behalf by:


Trustee - P Harkjaer


Trustee - D Hockley

The notes on pages 18 to 30 form part of these accounts.

MAKE-A-WISH FOUNDATION® UK
GROUP CASH FLOW STATEMENT
PERIOD ENDED 31 AUGUST 2018

	Notes	2018 8 Months		2017 12 Months	
		£	£	£	£
Cash (used in)/provided by operating activities	a.		(934,881)		1,186,756
Cash flows from investing activities					
Interest and dividend income		66,397		51,652	
Purchase of tangible fixed assets		(417,021)		(22,722)	
Proceeds from sale of tangible fixed assets		1,091,000		-	
Purchase of investments		(5,628,584)		(1,854,663)	
Proceeds from sale of investments		4,304,854		870,425	
Cash used in investing activities			(583,354)		(955,308)
Increase in cash and cash equivalents in the			(1,518,235)		231,448
Cash and cash equivalents at the beginning of the year			3,978,180		3,746,732
Total cash and cash equivalents at the end of the year			2,459,945		3,978,180

NOTES TO THE CASH FLOW STATEMENT

a. Reconciliation of net movement in funds to the net cash flow from operating activities	2018	2017
	£	£
Net movement in funds	(405,255)	1,533,912
(Gains) on investments	(31,913)	(144,731)
Net (gains) on sale of fixed assets	(684,280)	-
Depreciation charges	42,765	50,460
Interest and investment income receivable	(66,397)	(51,652)
Decrease/(increase) in debtors	1,203,685	(1,400,321)
(Increase)/decrease in stock	(15,804)	34,266
(Decrease)/increase in creditors	(977,682)	1,164,822
Net cash (used in)/provided by operating activities	(934,881)	1,186,756

1 ACCOUNTING POLICIES

Basis of Preparation

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 (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Make-A-Wish Foundation® UK 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 note(s).

Judgements and estimates

Judgements made by the trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the valuation of investments and are discussed below.

On approval of a wish, a provision is made based on the expected costs of the wish. The actual costs may vary from this provision due to factors such as family size or seasonal cost variations.

Preparation of the accounts on a going concern basis

Preparation of the accounts is on a going concern basis. The trustees are of the view that the level of reserves will support the charity going forward.

Basis of Consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary Make-A-Wish Promotions Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Donations and legacies

Donations income is accounted where there is entitlement, probability and it is measurable. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate.

Generating Funds

Income is accounted for on a cash received and accruals of known income basis unless related to an event scheduled to take place in a later accounting period in which case it is deferred until after the event has taken place. The main sources of income are analysed in the notes. The subsidiary income represents net invoiced sales of services, excluding value added tax and is included in the profit and loss account as it is earned.

Investment Income

Investment income reflects the amount receivable for the year.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Irrecoverable Value Added Tax (VAT)

Expenditure on which there is irrecoverable VAT is shown within each relevant cost category gross of VAT.

Raising Funds

These costs are incurred in relation to the fundraising events which are organised throughout the United Kingdom. As well as the direct costs associated with each event, costs are included in relation to staff members who are engaged directly in fundraising events, publicity campaigns to generate income and an appropriate proportion of their use of shared facilities and central services.

Charitable Activities

Liabilities for wishgranting expenses are recognised as expenditure as soon as there is a specific commitment creating an obligation and an expectation that a wish will be fulfilled. The liabilities at the balance sheet date are included as creditors due within one year.

Gifts in Kind

The charity receives the benefit of work carried out by volunteers, the value of which is not included in these accounts. Gift in kind income represents various goods/services donated free of charge. The income is included when it can be reliably valued.

Cost of Administration

These costs are allocated to cost of raising funds and charitable activities on the basis of an appropriate apportionment of resources and activities.

Governance Costs

Governance costs have been allocated in line with cost of administration and include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Leases

Payments under operating leases are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost of freehold buildings
Improvements to property	- 25% on cost
Leasehold property improvements	- 10% on cost
Office equipment	- 33% on cost
Computer equipment	- 25% on cost
Computer software	- 33% on cost

Computer equipment and software are combined for reporting.

Tangible fixed assets bought by the company have been capitalised at the minimum amount of £100 for individual assets. Assets donated during the year have been capitalised at their estimated purchase cost.

Foreign Exchange

Foreign currency transactions for income and expenditure are accounted for at an average weekly exchange rate at the point of recognition in the accounts. Any difference at the date of payment is treated as an exchange gain/loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Investments

Investments are included in the financial statements at market value at the balance sheet date. Realised and unrealised gains and losses on revaluation and disposals occurring in the year are reported in the Statement of Financial Activities.

Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. The designated funds represents funds earmarked for specific reasons as decided by the trustees. Further explanation of the nature and purpose of the each fund is included in the notes to the financial statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade 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 or matures within three months of the date of the balance sheet.

Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Employee benefits

- **Short term benefits**
Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- **Employee termination benefits**
Termination benefits are accounted for on an accrual basis and in line with FRS 102

2 LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

MAKE-A-WISH FOUNDATION® UK
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 AUGUST 2018

3 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2018 8 Months £	Unrestricted Funds £	Restricted Funds £	2017 12 Months £
Donations	2,239,755	92,663	2,332,418	3,161,895	378,901	3,540,796
Legacies	323,355	3,000	326,355	674,793	1,500	676,293
Donations in kind	302,617	-	302,617	376,390	-	376,390
Donations in relation to Text Santa	-	-	-	178	-	178
	<u>2,865,727</u>	<u>95,663</u>	<u>2,961,390</u>	<u>4,213,256</u>	<u>380,401</u>	<u>4,593,657</u>

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2018 8 Months £	Unrestricted Funds £	Restricted Funds £	2017 12 Months £
Fee from international affiliates	19,047	-	19,047	34,243	-	34,243

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2018 8 Months £	Unrestricted Funds £	Restricted Funds £	2017 12 Months £
Fundraising events	1,311,633	83,537	1,395,170	2,891,517	191,105	3,082,622
Shop income	9,054	-	9,054	48,494	-	48,494
Subsidiary's income	116,643	-	116,643	2,895,502	-	2,895,502
	<u>1,437,330</u>	<u>83,537</u>	<u>1,520,867</u>	<u>5,835,513</u>	<u>191,105</u>	<u>6,026,618</u>

6 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	2018 8 Months £	Unrestricted Funds £	Restricted Funds £	2017 12 Months £
Dividends	61,205	-	61,205	41,572	-	41,572
Deposit account interest	5,192	-	5,192	10,080	-	10,080
	<u>66,397</u>	<u>-</u>	<u>66,397</u>	<u>51,652</u>	<u>-</u>	<u>51,652</u>

MAKE-A-WISH FOUNDATION® UK
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 AUGUST 2018

7 OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	2018 8 Months £	Unrestricted Funds £	Restricted Funds £	2017 12 Months £
Gain on disposal of property	700,117	-	700,117	-	-	-
	<u>700,117</u>	<u>-</u>	<u>700,117</u>	<u>-</u>	<u>-</u>	<u>-</u>

8 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2018 8 Months £	Unrestricted Funds £	Restricted Funds £	2017 12 Months £
Donations & Legacies						
Direct fundraising costs	166,876	-	166,876	243,769	-	243,769
Agency & professional fees	31,691	-	31,691	26,816	-	26,816
Legal & professional	11,951	-	11,951	18,444	-	18,444
Staff & related costs	457,837	-	457,837	572,327	-	572,327
	<u>668,355</u>	<u>-</u>	<u>668,355</u>	<u>861,356</u>	<u>-</u>	<u>861,356</u>
Other trading activities						
Direct fundraising costs	687,135	-	687,135	1,655,951	-	1,655,951
Agency & professional fees	15,962	-	15,962	19,036	-	19,036
Legal & professional	5,124	-	5,124	19,224	-	19,224
Staff & related costs	167,173	-	167,173	208,335	-	208,335
Bad debts	11,325	-	11,325	53,300	-	53,300
	<u>886,719</u>	<u>-</u>	<u>886,719</u>	<u>1,955,846</u>	<u>-</u>	<u>1,955,846</u>
Support costs (note 10)	581,267	3,804	585,071	662,818	-	662,818
	<u>2,136,341</u>	<u>3,804</u>	<u>2,140,145</u>	<u>3,480,020</u>	<u>-</u>	<u>3,480,020</u>

9 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2018 8 Months £	Unrestricted Funds £	Restricted Funds £	2017 12 Months £
Wishgranting expenses	1,786,229	444,396	2,230,625	2,298,148	355,542	2,653,690
Donations in kind	221,639	-	221,639	299,344	-	299,344
Movement in provision for wishes in progress	(519,966)	-	(519,966)	525,470	-	525,470
Other	559,316	-	559,316	1,369,007	-	1,369,007
	<u>2,047,218</u>	<u>444,396</u>	<u>2,491,614</u>	<u>4,491,969</u>	<u>355,542</u>	<u>4,847,511</u>
Support costs (note 10)	1,064,352	8,875	1,073,227	989,458	-	989,458
	<u>3,111,570</u>	<u>453,271</u>	<u>3,564,841</u>	<u>5,481,427</u>	<u>355,542</u>	<u>5,836,969</u>

10 ANALYSIS OF SUPPORT COSTS

	Fundraising £	Wishgranting £	2018 8 Months £	Fundraising £	Wishgranting £	2017 12 Months £
Staff & related costs	291,001	431,519	722,520	394,764	555,611	950,375
International registration fee	-	109,808	109,808	-	192,572	192,572
Governance costs (below)	7,000	7,584	14,584	7,692	7,973	15,665
Other direct support costs	147,216	144,494	291,710	260,362	233,302	493,664
Reach Every Child	139,854	379,822	519,676	-	-	-
	585,071	1,073,227	1,658,298	662,818	989,458	1,652,276

	Fundraising £	Wishgranting £	2018 8 Months £	Fundraising £	Wishgranting £	2017 12 Months £
Governance costs						
Accountancy fees	672	729	1,401	443	472	915
Auditors' remuneration	6,328	6,855	13,183	7,249	7,501	14,750
	7,000	7,584	14,584	7,692	7,973	15,665

11 NET INCOME FOR THE YEAR

	2018 8 Months £	2017 12 Months £
This is stated after charging:		
Operating leases - equipment	6,712	7,807
Auditors' remuneration	13,183	14,750
Accountancy fees	1,401	915
Depreciation - owned assets	42,765	50,460

12 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2018 8 Months £	2017 12 Months £
Salaries	1,628,454	1,916,767
Social security costs	161,562	166,081
Pension costs	59,011	70,482
Redundancy costs	17,018	-
	<u>1,866,045</u>	<u>2,153,330</u>

The number of higher paid staff whose taxable emoluments fell into higher salary bands was:

	2018 8 Months No.	2017 12 Months No.
£60,001 to £70,000	-	3
£70,001 to £80,000	-	-
£80,001 to £90,000	-	2

As this was an 8-month period, no employees earnings were greater than £60,000.

There were no trustees' remuneration or other benefits for the period ended 31 August 2018, nor for the year ended 31 December 2017.

During the year £nil was reimbursed to the trustees (2017 - £nil).

The key management personnel of the charity, and the group, comprises the trustees, the Chief Executive, Director of Finance, Director of Wishgranting, Director of Fundraising & Marketing, Director of Strategy & Business Transformation (previously Director of Operations) and Director of People & Culture (previously Director of HR & Volunteering). The total employee benefits of the key management personnel of the charity during the period were £389,967 (2017 Jan-Dec - £525,951).

13 STAFF NUMBERS

The average number of employees analysed by activity:

	2018 8 Months No.	2017 12 Months No.
Wishgranting and Communications	33	25
Administration	10	10
Fundraising & Volunteer Management	35	31
	<u>78</u>	<u>66</u>

14 CORPORATION TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 TANGIBLE FIXED ASSETS - Charity (also comprising that of the group)

	Freehold Property	Improve- ment to Property	Leasehold Property Improve- ments	Office Equipment	Computer Equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2018	470,000	58,126	-	81,312	317,263	926,701
Additions	-	-	283,274	1,228	132,519	417,021
Disposals	(470,000)	(58,126)	-	(78,574)	(280,672)	(887,372)
At 31 August 2018	-	-	283,274	3,966	169,110	456,350
Accumulated depreciation						
At 1 January 2018	76,400	58,126	-	72,367	272,439	479,332
Depreciation charge for year	3,917	-	9,257	4,768	24,823	42,765
Disposals	(80,317)	(58,126)	-	(74,402)	(267,807)	(480,652)
At 31 August 2018	-	-	9,257	2,733	29,455	41,445
Net book value						
At 31 August 2018	-	-	274,017	1,233	139,655	414,905
At 31 December 2017	393,600	-	-	8,945	44,824	447,369

16 FIXED ASSET INVESTMENTS

	2018 8 Months £	2017 12 Months £
Group and Charity		
Market Value		
At 1 January	2,669,047	1,540,078
Additions at cost	5,628,584	1,854,663
Disposal proceeds	(4,304,854)	(870,425)
Realised (loss)/gain on investments	(146,327)	39,973
Unrealised gain on investments	178,240	104,758
At 31 August (December)	<u>4,024,690</u>	<u>2,669,047</u>
Historical cost		
At 31 August (December)	<u>4,010,405</u>	<u>2,519,416</u>
Charity only		
Shares in group subsidiary	<u>1</u>	<u>1</u>

The charity holds the entire £1 share capital of its trading subsidiary, Make-A-Wish Promotions Limited.

17 RESULTS FROM TRADING ACTIVITIES OF SUBSIDIARIES

The charity has two wholly owned trading subsidiaries, Make-A-Wish Promotions Limited (Promotions) and Make-A-Wish Limited, both of which are incorporated in Great Britain. The registered office of both organisations are the same as that of the charity.

Promotions undertake collection of old clothing and commercial sponsorship from a range of corporate partnerships. A summary of the results of Promotions is shown below.

Make-A-Wish Limited is dormant.

Audited financial statements have been filed with the Registrar of Companies.

	2018 8 Months £	2017 12 Months £
Make-A-Wish Promotions Limited		
Summary Profit and Loss Account		
Turnover	116,643	2,895,502
Cost of sales	(2,697)	(476,149)
Total gross profit	113,946	2,419,353
Administrative expenses	(28,958)	(47,147)
Gifted (paid) to other charity	(2,545)	-
Operating profit for the year	82,443	2,372,206
Gift Aid payment to parent company	-	(1,575,950)
Gift Aid payment to other charity	-	(796,256)
Tax	-	-
Retained profit for the year	82,443	-
	2018 £	2017 £
The assets and liabilities:		
Current assets	151,229	2,768,034
Current liabilities	(68,785)	(2,768,033)
Total net assets	82,444	1
Aggregate share capital and reserves	1	1

18 STOCKS

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Finished goods	27,926	12,122	19,778	12,122

19 DEBTORS

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	133,083	1,079,461	83,638	128,533
Prepayments and accrued income	1,757,924	2,015,231	1,729,829	1,968,949
Amounts owed by group undertakings	-	-	44,606	1,787,307
	<u>1,891,007</u>	<u>3,094,692</u>	<u>1,858,073</u>	<u>3,884,789</u>

20 CREDITORS: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	481,707	208,712	472,210	204,590
Social security and other taxes	73,951	220,064	66,024	51,847
Committed wishes	1,457,234	1,977,200	1,457,234	1,977,200
Other creditors and accrued expenses	277,708	986,507	270,955	178,121
Deferred income	225,047	100,846	225,047	100,846
	<u>2,515,647</u>	<u>3,493,329</u>	<u>2,491,470</u>	<u>2,512,604</u>

Deferred income represents fundraising income in relation to future events. Income is fully released in the following financial year when the event takes place.

At 31 August 2018 the committed wishes creditor represented 584 wishes at an average cost of £2,495 (31 December 2017 - 659 at an average cost of £3,000).

21 OPERATING LEASE

As at 31 August (December) the group had annual commitments under operating leases as set out below:

	Equipment		Building	
	2018	2017	2018	2017
	£	£	£	£
< 1 year	4,727	4,727	134,112	-
2 - 5 years	-	3,546	536,447	-
> 5 years	-	-	134,112	-
	<u>4,727</u>	<u>8,273</u>	<u>804,671</u>	<u>-</u>

22 ANALYSIS OF CHARITABLE FUNDS

	Balance 1 January 2018 £	Income £	Expenditure £	Gains & Transfers £	Balance 31 August 2018 £
Unrestricted funds					
General fund	5,838,609	5,088,618	(5,247,911)	64,377	5,743,693
Restricted funds					
Kentown Wizard	260,049	-	(167,041)	-	93,008
Cash for Kids N.I	42,609	-	(41,822)	-	787
Wish funds	119,445	166,522	(235,534)	-	50,433
Landlord Fit Out Contribution	-	12,678	(12,678)	-	-
	<u>422,103</u>	<u>179,200</u>	<u>(457,075)</u>	<u>-</u>	<u>144,228</u>
Designated funds					
Fixed asset fund	447,369	-	-	(32,464)	414,905
	<u>447,369</u>	<u>-</u>	<u>-</u>	<u>(32,464)</u>	<u>414,905</u>
Total funds	<u>6,708,081</u>	<u>5,267,818</u>	<u>(5,704,986)</u>	<u>31,913</u>	<u>6,302,826</u>

	Balance 1 January 2017 £	Income £	Expenditure £	Gains & Transfers £	Balance 31 December 2017 £
Unrestricted funds					
General fund	1,297,040	10,134,664	(8,961,447)	3,368,352	5,838,609
Restricted funds					
Kentown Wizard	193,111	250,000	(183,062)	-	260,049
Cash for Kids N.I	13,028	41,630	(12,049)	-	42,609
Wish funds	-	279,876	(160,431)	-	119,445
	<u>206,139</u>	<u>571,506</u>	<u>(355,542)</u>	<u>-</u>	<u>422,103</u>
Designated funds					
Fixed asset fund	475,107	-	-	(27,738)	447,369
Support fund	2,434,584	-	-	(2,434,584)	-
Applications fund	761,299	-	-	(761,299)	-
	<u>3,670,990</u>	<u>-</u>	<u>-</u>	<u>(3,223,621)</u>	<u>447,369</u>
Total funds	<u>5,174,169</u>	<u>10,706,170</u>	<u>(9,316,989)</u>	<u>144,731</u>	<u>6,708,081</u>

Name of fund	Description, nature and purpose of fund
Kentown Wizard	Funding for Disneyland Paris wishes.
Cash for Kids N.I	Funding for wishes for children with cancer living in Northern Ireland.
Wish funds	Funding for individual wishes or specific wish types.
Landlord Contribution	Landlord contribution towards fit out of Community Hub.
General fund	The 'free reserves' after allowing for all designated and restricted funds.
Fixed asset fund	Reflects the net book value of assets not available for immediate conversion to cash.

23 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	414,905	-	414,905
Investments	-	-	4,024,690	4,024,690
Current assets	144,228	-	4,234,650	4,378,878
Current liabilities	-	-	(2,515,647)	(2,515,647)
Total net assets	144,228	414,905	5,743,693	6,302,826

Fund balances at 31 December 2017 are represented by:

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	447,369	-	447,369
Investments	-	-	2,669,047	2,669,047
Current assets	422,103	-	6,662,891	7,084,994
Current liabilities	-	-	(3,493,329)	(3,493,329)
Total net assets	422,103	447,369	5,838,609	6,708,081

24 RELATED PARTY TRANSACTIONS

At the year end £44,606 was due from Make-A-Wish Promotions Limited (2017 - £1,787,307).

APPENDIX 1: Consolidated Income and Expenditure Statement 8-month comparison
For management information only. This does not form part of the audited accounts.

	2018 Jan - Aug £	2017 Jan - Aug £
INCOME FROM		
Donations and legacies	2,961,390	2,037,656
Charitable activities	19,047	28,904
Other trading activities	1,520,867	1,780,555
Investment income	66,397	32,913
Other income	700,117	-
Total	5,267,818	3,880,028
EXPENDITURE ON		
Raising funds	2,140,145	1,789,454
Charitable activities	3,564,841	2,852,903
Total	5,704,986	4,642,357
Net income/(expenditure) before gains on investments	(437,168)	(762,329)
Net gains on investments	31,913	98,365
Net movement in funds	(405,255)	(663,964)