

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

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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
YEAR ENDED 31 DECEMBER 2017

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 year ended 31 December 2017. 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
329 - 331 London Road
Camberley
Surrey
GU15 3HQ

Trustees

Per Harkjaer	Chairman
David Hockley	
Susan Gent	Resignation 03/06/2017
Pippa Carte	End of term resignation 04/12/2017
Jim Cook	Resignation 04/12/2017
John Orriss	End of term resignation 04/12/2017
Graham Stapleton	End of term resignation 04/12/2017
Damian Thornton	Appointed 06/02/2017
Brian Robinson	Appointed 08/05/2017
Catherine Salter	Appointed 04/12/2017
Ed Smith	Appointed 04/12/2017

Key Personnel and Senior Management Team

Jason Suckley	Chief Executive
José Martinez	Director of Digital & Marketing - left 14/07/2017
Aileen Feeney	Director of Finance - left 18/01/2017
Elizabeth Sell	Director of Finance
Joanne Micklewright	Director of Wishgranting
Alice Collins	Director of Fundraising & Marketing - maternity from 31/12/2017
Andy Holland	Director of Fundraising & Marketing - interim from 01/01/2018
Mark Curtin	Director of Operations
Marcus Lee	Director of HR & Volunteering

Company Secretary
Lisa Taylor

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2017

Auditors

haysmacintyre
10 Queen Street Place
London
EC4R 1AG

Solicitors

Penningtons
Highfield
Brighton Road
Godalming
Surrey GU7 1NS

Principal Bankers

National Westminster Bank Plc
Ground Floor
200 Fowler Avenue
IQ Farnborough
Farnborough
Hampshire
GU14 7JP

Investment Managers

Barclays Wealth
1 Churchill Place
Canary Wharf
London
E14 5HP

CHAIRMAN'S STATEMENT

We know that wishes change lives. It's therefore not surprising that in 2017 a total of 2,129 families turned to us for a wish. We aspire to grant the One True Wish of every eligible child and our ability to achieve this remains our key challenge.

With this in mind, I'm delighted to say that our fundraised income grew by a total of 53% in 2017. This is a remarkable achievement made possible by the generosity of many thousands of supporters. In October, the inaugural Art of Wishes event, launched in partnership with Make-A-Wish® Israel, generated an incredible £2.8m. The same month, in collaboration with 2 other charities, we launched a 3 year partnership with Poundland. In November, the 25th Make-A-Wish Winter Ball raised more than £463k net income. In December, our friends at Primark raised over £500k through a hugely successful marketing campaign through sales of pyjamas in their stores throughout the UK. A Christmas campaign we ran, in partnership with the Daily Mail, raised over £250k. In fact, income from every area of fundraising grew. Most importantly, this puts us in a position where we can invest in growing the number of wishes we grant from a position of financial strength.

In 2017, we granted the wishes of 905 children living in the UK, in addition to assisting in the wishes of 161 children from overseas who chose for their wish to take place in the UK. Whilst the combined total of these represent the 2nd highest achieved in the history of Make-A-Wish UK, this is still well below the number of children who turned to us.

Given the fundraising successes of 2017, we started 2018 with reserves above our policy. However, the board and I are committed to ensuring we invest in the mission of the charity. The good news is that we have already begun the process of translating financial growth into the growth of wishes. We enter 2018 with our largest ever team of Wishgrants and the largest ever number of wishes approved to be granted (659). In order to maximise the impact of our wishes we follow a 'Wish Journey' which enables the child to drive the discovery and design of their own unique wish experience. At the start of 2018, a total of 1,527 children were at various stages of this Wish Journey – again the largest we have ever been working on. We are therefore in a great position to meet our target of granting the wishes of 1,200 children from the UK in 2018.

In addition to granting more wishes than ever before, 2018 will see the launch of 'Reach Every Child', a program of transformation designed to enable us to be fully capable of meeting ongoing demand for wishes in a sustainable manner. This will include investment in people, systems, process and partnerships. It will include enhancing the role of our volunteers and partners in the granting of our wishes to enable us to accelerate the growth in wishes without an equivalent increase in salaries. In 2018, we will be moving from Camberley to Reading to establish a space that will act as a hub to connect the Make-A-Wish community. This move, fully funded by the sale of the existing building, will see wishes granted and volunteers trained in the same space as employees working.

During the latter part of 2017 we established a partnership with Aston University which will see the launch of a ground-breaking piece of research in 2018 to improve understanding of the impact of a wish. This research, carried out with children, parents, volunteers and health professionals will represent a huge step forward in our ability to maximise the impact of every one of our wishes.



P Harkjaer
Chairman

Date: 9 April 2018

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 company's Articles of Association provide for a minimum of four and maximum of fifteen trustees and 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 history and philosophical approach of the charity, and meetings with senior staff members.

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. 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 establishes Board Committees as it considers necessary from time to time, to provide advice, manage process, 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're keen to be as clear and transparent as possible for our supporters and the children who we serve.

The Head Office is in Camberley, Surrey, where the majority of employees are based. In addition, there are home-based Regional Fundraising Managers working remotely.

Make-A-Wish Foundation UK has a wholly-owned subsidiary, Make-A-Wish Promotions Limited which, in effect, is the trading division of the charity. All operating profits of Make-A-Wish Promotions 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

In 2017, our mission was to grant magical wishes to enrich the lives of children and young people fighting life-threatening conditions. In order to do this, we had several strategic goals:

- **Every wish has more of an impact on the child and their family** – In the second half of 2017 we began a collaboration with Aston University who are helping us undertake research into the impact a wish has on a seriously ill child and their family. During the course of 2017, working with our volunteers, we also strengthened our approach to capturing the One True Wish of the child.
- **To grant a wish for every eligible child** – In 2017, we granted wishes to 905 children in the UK and hosted a further 161 children from other parts of the world who chose for their wish to take place in the UK through their country's Make-A-Wish office.
- **More people believing every eligible child needs a 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. We still have considerable work to do on our relevancy – we need to work towards ensuring the public know and understands the impact a wish coming true has on a child who's seriously ill. However, scoring 24th is a great success for us in terms of brand recognition and trust and has given us insights into areas that need improvement.
- **Accelerated, sustainable growth of income and resources** – To enable us to help as many children and young people as possible by granting their One True Wish, we carry out a programme of fundraising activities. The aim of these activities is to generate enough funds to meet current and future demand and maintain appropriate cash reserves to cover future foreseeable needs by allocating funds in the year we make a commitment to the child.

Public Benefit

The trustees confirm they have complied with the requirement in section seventeen 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 3-17, living in the UK, diagnosed as having a life-threatening condition and who has not previously received a wish from another wishgranting organisation.

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

We truly believe that every child's wish is different, and their motivations for wishing are unique only to them. Whether that wish is to be a princess or a policeman 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 enriches the child's life at a time when they need it most.

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

The positive effects of a wish go further than the wish child and their family – it can impact 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're allowing our supporters to give directly to a child's wish – showing how their contribution has made a direct impact – bringing our donors closer to the children we serve and giving positive impacts to them through their donation.

Post-wish research is conducted each month to help gauge the impact a wish has on the families and children we work with over the year. The results confirm the transformational effects that one of our wishes can have on the physical, emotional and psychological well-being of a seriously ill child and the high quality of delivery Make-A-Wish

provides. In 2017, we established a relationship with Aston University, and towards the end of the year a plan was put together for them to carry out research to identify how we can measure, define and understand the impact of the wishes we grant and how this affects the health and well-being of the children and their families who turn to us. Research starts in 2018. This represents a huge step forward in our mission to grant wishes that positively impact a seriously ill child's life.

Mission

In January 2018, Make-A-Wish International rolled out a brand refresh, which included a refreshed logo and messaging. From 9 January 2018, Make-A-Wish UK's mission is: Together, we create life-changing wishes for children with critical illnesses.

SIGNIFICANT ACTIVITIES

Wishgranting

Referrals and Wishes Granted

In 2017, following on the trend from 2016, the number of children turning to us remained high, with 2,129 children being referred to us for a wish. The continuing development of our online referral tool has meant it's far easier for people to refer a child for a wish – giving greater opportunities for parents or health professionals to use our service. 44% of referrals do not result in a wish due to the instigator not following up with us, or ineligibility. We are committed to reducing this percentage. In 2018 we will be working with medical professionals to increase the percentage of eligible referrals we receive whilst reviewing our processes to ensure we make it as easy as possible for families to work with us across the wish journey.

We granted wishes to 905 seriously ill children and young people in 2017 – our second highest number ever.

In addition to the 905 children in the UK, we also assisted in granting more wishes for our International affiliates than the previous year – a record 161. In total, Make-A-Wish UK granted, and assisted in the granting of 1,066 wishes.

Capturing a child's One True Wish

We seek to capture, through the use of our volunteers, the One True Wish of the child. In 2017, we have sought to use insight gained from child experts as the basis for equipping volunteers to unlock a child's imagination through the development of tools and an ongoing programme of training.

The Wish Journey

In 2017, the wish journey was key in helping us create an impactful wish experience for the 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 2017, we were able to officially reintroduce spa pool and Lapland wishes thanks to collaborations with hottubwarehouse.co.uk and Canterbury Travel. Thanks to these strategic partnerships, we've been able to negotiate rates to ensure these wishes can be sustainable – helping ensure we're granting the One True Wish of the children that turn to us, and providing the most impactful wishes we possibly can.

Reaching every child

At the end of 2017, we built on recruitment for our Wishgranting team, and have entered 2018 with our largest ever Wishgranting team in order to meet our target of granting 1,200 wishes this year.

Fundraising

Excluding legacy income, our gross fundraising income grew by £3,379,540, a 51% increase on 2016. 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 and the inaugural Art of Wishes event generated £2.8 million gross income.

Our legacy income grew by £283,821 a 72% increase on 2016.

In 2017, our total fundraising income (including donations in kind but excluding investment and affiliate income) was £10,620,275 (2016 - £6,956,914). 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 Primark, ITV's I'm A Celebrity Get Me Out Of Here, The Daily Mail, The Original Factory Shop, Poundland, Angel Springs, Redefine BDL and Next. Our dedicated and passionate committees are led by Leslie Rose OBE, Graeme Sands, Jan Rose and Batia Ofer, they organised our 25th Winter Ball, Valentine's Ball and Art of Wishes event, and are responsible for the biggest fundraising events in the Make-A-Wish calendar.

Mass Fundraising

We had 12 active fundraising groups, 2,941 supporters held fundraising events and 1,609 people walked, ran, cycled or skydived in order to raise funds for us. 12,546 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 couldn't 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 2017 through online advertising, payroll-giving and a door drop. Fundraising via digital channels has been a focus, with new initiatives such as Sponsor A Wish – a program which is predominantly digitally led via our social channels, website and online advertising.

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 in 2017 we received a total of 15 complaints. All complaints were dealt with by us and there were no requirements for us to escalate these to the Fundraising Regulator.

Policies

Following a review of Safeguarding and Data Privacy policies in 2016 the following was undertaken in 2017:

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 and a programme of training for all staff and appropriate volunteers is being rolled out. Additionally, a Safeguarding Board was appointed to monitor 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. We welcome recent changes to regulation in relation to the management of data. We are committed to continuously improving our practices to ensure we are always working in the best interests of the children whose wishes we grant and the supporters that make this possible. With the help of a team of specialist consultants we are undertaking a GDPR / Data Privacy readiness programme to be completed for April 2018, ahead of GDPR enforcement data in May 2018.

Volunteers and Supporters

Make-A-Wish UK was established by volunteers and the contribution of our volunteers is still integral to our work today. Simply put, without volunteers, we cannot deliver our mission.

Volunteers enable us to visit wish children to explore the motivation behind their wish – 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 by moving soil and rubble to make way for a football pitch or playing the role of Father Christmas at short notice. Our Public Speakers and Fundraising Groups raise both awareness of and funds for our wishes. Our team of ad-hoc volunteers cheer our runners at events making sure they have the best possible experience of supporting us and volunteers within each team support tasks in the office or contribute their skills remotely.

In 2017, we had a total of 859 registered volunteers and the hours contributed by volunteers increased by 52% from 12,350 to 18,750.

We want every one of our volunteers and employees to feel inspired, capable and empowered to help grant wishes to children and young people with critical illnesses.

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

<u>Year</u>	<u>Referrals</u>	<u>Number of Wishes</u>	<u>Number of Wish Assists</u>	<u>Total Income (excl. Legacies)</u>	<u>Legacies</u>	<u>Total Income</u>
2013	1415	893	104	£6,056,607	£343,835	£6,400,442
2014	1180	872	119	£6,835,739	£603,735	£7,439,474
2015	1646	855	131	£9,030,025	£904,715	£9,934,740
2016	2308	984	141	£6,638,895	£392,472	£7,031,367
2017	2129	905	161	£10,029,877	£676,293	£10,706,170

In 2017 there was significant growth in our total income which was up by £3.675m compared to 2016.

Approximately two thirds of this growth (£2.4m) came from the inaugural Art of Wishes event that raised monies for Make-A-Wish UK and Make-A-Wish Israel. We hope to repeat this event on a biennial basis. We also received a significant contribution of £540k from Primark's Christmas pyjama promotion and received £676K from legacies which was £284k higher than in 2016. Over the course of 2018 and beyond, we will continue to focus on increasing our underlying fundraising income as the basis for sustainable growth.

FINANCIAL REVIEW

Financial Performance

In 2017, Make-A-Wish's total income of £10,706,170 - including fundraising, legacies, donations in kind and other non-Fundraising income - increased by 52% (£3,674,803) compared to 2016. We invested £3,472,573 in raising this income, resulting in a balance of £7,233,597 but actually spent £5,844,416 in support of our core objectives leaving a surplus of £1,533,912 after investment gains.

The better than anticipated fundraising performance was in the final quarter of the year which partly explains why expenditure is comparatively low; we were not planning to add significantly to reserves at the end of 2017 but did not have time to accelerate wishes before the end of the year.

Over the course of the year, nearly 63 pence of every pound spent by the charity was on charitable activities, compared to 64 pence in the previous year. Due to new relationships with suppliers and new streams of donations in kind, we were able to reduce our average cost of wishes in progress at year end from £3,735 in 2016 to £3,170, without impacting on the quality of wishes delivered.

The charity's wholly owned trading subsidiary, Make-A-Wish Promotions, achieved profit of £2,372,205 (2016 £375,874). £1,576k of that profit was gift aided to the Make-A-Wish Foundation UK. The remaining £796k was a restricted donation to UK Gives, a UK based charity that fundraises for projects in Israel, which will be sent to Make-A-Wish Israel in early 2018.

Reserves Policy

The general reserves are required by the charity to meet its objectives of granting more wishes and 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 that the charity continues on a going concern basis.

In June 2017, the trustees approved a new Reserves Policy that will better meet the charity's requirements as well as the Charity Commission's recommendations. It recognises that, as we provide for wishes on approval and so have a significant wish provision on the balance sheet at any one time to cover the costs of wishes not yet granted, the assessment of free reserves cover should take the wish provision into account but exclude any Restricted Funds and the Designated Fixed Asset Fund. The new Reserves Policy requires that the charity holds between 6 to 7.5 months' cover of all of the following year's expenditure.

At the balance sheet date of 31 December 2017, the total reserves were £6,708,081. 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 2017, this amounted to 659 wishes totalling £1,977,200 (2016: 532 wishes, £1,451,730).

The new policy streamlines Reserves so that we now have only one Designated Fund – the Fixed Assets Fund which covers the amount still to be depreciated on Fixed Assets (including the charity's operational headquarters in Camberley). We no longer have an Applications Fund or a Designated Wish Fund; the remaining unrestricted reserves are now all in a single general fund, which as at 31 December 2017 was £5,838,609 (2016 £1,297,040).

This change of policy happened during the year but the table below shows the 2016 position as it would have looked if the new policy were applied to the 2016 year-end reserves. Under the previous policy we reported 7 months of reserves cover at the end of 2016; restated under the new policy that cover is now shown as over 9 months.

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2017

Reserves Policy

	Audited 2016 £	New Policy 2016 £	2017 £
Applications Fund	761,299	-	-
Support Fund	2,434,584	-	-
Asset Fund	475,107	475,107	447,369
Restricted Funds	206,139	206,139	422,103
General Reserves	1,297,040	4,492,923	5,838,609
Total Reserves	<u>5,174,169</u>	<u>5,174,169</u>	<u>6,708,081</u>

Reserves Cover

	New Policy 2016 £	2017 £
General Reserves	4,492,923	5,838,609
Committed Wish Provision	1,451,730	1,977,200
Total cover	<u>5,944,653</u>	<u>7,815,809</u>
Next year's budgeted expenditure	7,388,768	8,327,509
Months' cover	9.7	11.3

The cover at the end of 2017 is just over 11 months; the budget for 2018 includes the initial planned expenditure on our Reach Every Child programme of transformation.

Going Concern

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

Principal Funding Sources

Make-A-Wish 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

A significant amount of the reserves are invested in a relatively liquid portfolio managed by Barclays Wealth, a division of Barclays, with the aim of investing to maximise long term growth. 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 that provides transparency over the investments and their levels of financial return. In June, following a review of the first 3 years of the portfolio, trustees agreed to increase the risk profile of the investment portfolio from 'medium to low' risk (level 2 on a scale of 1 – 5) to 'moderate' (level 3). They added £1 million to the portfolio in May and a further £300k in December 2017.

Investment performance is monitored regularly and reported quarterly to the trustees. The portfolio is managed through active managers and index tracking investments and achieved annual growth in 2017 of 8.8% before fees (7.9% after fees). This is 1% better than our Barclays Wealth benchmark which came in at 6.9% for 2017.

FUTURE DEVELOPMENTS

2018 and Beyond

Our aspirations are guided by our mission and goals.

Within this context, we have four priorities for 2018

- 1) **Define & Understand Impact** - we want every wish to have a lasting impact on the lives of children and their families. With this in mind, a team from Aston University will be carrying out research into the impact of our wishes throughout 2018 with more than 200 children and their families. We will subsequently apply insight from the research to maximise the impact of our wishes.
- 2) **Reach Every Child** - demand for our wishes is currently well ahead of our ability to grant them. In 2018 we are launching a programme to transform our ability to grant impactful wishes at scale. We are calling this programme Reach Every Child. Through the development of systems, processes, people (employees and volunteers) and partnerships, we aim to grant the wish of every child who turns to us in a sustainable way.
- 3) **Grant 1,200 wishes** - we start 2018 with more wishes approved and the largest Wishgranting team in the history of the charity. We aim to grant 1,200 wishes for children based in the UK, more than ever before.
- 4) **A Balanced Budget for Operational Activities** - In 2018, we will be investing in a number of areas e.g., through the Reach Every Child program, to strengthen our ability to reach more children and increase the impact of our wishes. For this reason we are planning to incur a managed deficit. However, we will be seeking to fully cover the underlying costs of the charity through the income we generate.

The level of ambition across these four priority areas has been made possible through strong income growth in 2017. They reflect a commitment to invest in the mission and goals of the charity, in particular the reach and impact of our wishes.

These priorities, and the subsequent achievements of our goals, will be supported in 2018 by a move of the existing office location from Camberley to Reading. In order to achieve sustainable growth in our wishes, we are seeking to enhance the roles of volunteers and create a community inspired by a common purpose. We want the new location to act as a hub for this community, providing a collaborative space for employees, volunteers, partners, children and their families, with wishes at its heart. The cost of the move, plus the first 5 years of lease costs, will be fully funded by the sale of the existing building.

In December 2017, the trustees approved a 3 year plan, which incorporates these priorities. By 2020, we aspire to be granting the wish of every child who turns to us (currently around 1,800pa), for each of these wishes to be demonstrably impactful and to be generating around £10m pa in income.

We will also be changing our reporting year from calendar to year ending 31 August; this means we will have an 8 month financial year from January to August 2018. Given a significant proportion of income is generated between October and December, this will help simplify the financial management of the charity but does mean that we will expect to have a deficit in that 8 month period.

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 risk register is maintained and formally reviewed by the trustees annually 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
- Loss of key people through a period of organisational change

The mitigation of these risks is embedded within the 2018-20 strategic plan.

Sustainable Fundraising Growth – A continued focus on a diversified portfolio of income streams (we achieved growth across every area of fundraising in 2017, but some relationships were one-offs).

Demand exceeding our ability to grant wishes – We have invested in the expansion of the Wishgranting team and set ourselves a target of 1,200 wishes in 2018, whilst launching 'Reach Every Child', a program designed to transform our ability to grant wishes, sustainably and at scale.

Increase in average wish costs – We will be continuing to establish partnerships (through the Reach Every Child program) that enable us to grant the One True Wish of the child at sustainable levels of cost. We will also be continuing to strengthen financial skills and controls. Due to progress made in these areas and other financial controls, average cost of granted wishes in 2017 reduced to £3,116 from £3,934 in the previous year. In 2018, we will also be seeking to increase our engagement with local communities to generate more donations in kind in order to reduce the cash cost of wishes.

Loss of Key People – We will continue to engage employees in the development and implementation of change activities e.g. in relation to the location move we will be providing additional support to colleagues and resourcing sufficiently through the transitional period.

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:

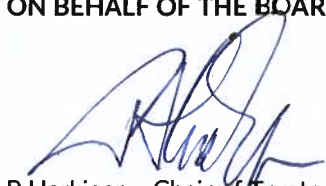
- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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: 9 April 2018

Opinion

We have audited the financial statements of Make-A-Wish Foundation UK for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheets, the Consolidated 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).

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.

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 December 2017 and of the group's and parent charitable company's net movement in funds, including the 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 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 12), 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.

MAKE-A-WISH FOUNDATION® UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MAKE-A-WISH FOUNDATION
UK
YEAR ENDED 31 DECEMBER 2017

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 incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the strategic report and the directors' report) has 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 returns adequate for our audit have not been received from branches not visited by us; 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.



Tracey Young (Senior Statutory Auditor)
For and on behalf of haysmacintyre, Statutory Auditors
Date: 9 April 2018

10 Queen Street Place
London
EC4R 1AG

MAKE-A-WISH FOUNDATION® UK
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE CONSOLIDATED INCOME
AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
INCOME AND EXPENDITURE					
INCOME FROM					
Donations and legacies	3	4,213,256	380,401	4,593,657	3,916,393
Charitable activities	4	34,243	-	34,243	32,353
Other trading activities	5	5,835,513	191,105	6,026,618	3,040,521
Investment income	6	51,652	-	51,652	42,100
Total		10,134,664	571,506	10,706,170	7,031,367
EXPENDITURE ON					
Raising funds	7	3,472,573	-	3,472,573	2,869,501
Charitable activities	8	5,488,874	355,542	5,844,416	5,207,155
Total		8,961,447	355,542	9,316,989	8,076,656
Net income/(expenditure) before gains on investments		1,173,217	215,964	1,389,181	(1,045,289)
Net gains on investments	15	144,731	-	144,731	117,368
Net movement in funds		1,317,948	215,964	1,533,912	(927,921)
Reconciliation of funds					
Total funds brought forward		4,968,030	206,139	5,174,169	6,102,090
Total funds carried forward		6,285,978	422,103	6,708,081	5,174,169

All transactions are derived from continuing activities.

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

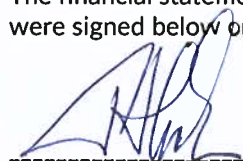
Except for gains/(losses) on investments, there is no difference from the results above and the historical cost position.

The notes on pages 19 to 32 form part of these accounts.

		Group		Charity	
	Notes	2017 £	2016 £	2017 £	2016 £
FIXED ASSETS					
Tangible assets	14	447,369	475,107	447,369	475,107
Investments	15	2,669,047	1,540,078	2,669,047	1,540,078
		<u>3,116,416</u>	<u>2,015,185</u>	<u>3,116,416</u>	<u>2,015,185</u>
CURRENT ASSETS					
Stock	17	12,122	46,388	12,122	46,388
Debtors	18	3,094,692	1,694,371	3,884,789	1,753,370
Cash at bank and in hand		3,978,180	3,746,732	2,207,358	3,657,112
		<u>7,084,994</u>	<u>5,487,491</u>	<u>6,104,269</u>	<u>5,456,870</u>
CREDITORS: amounts falling due within one year	19	<u>(3,493,329)</u>	<u>(2,328,507)</u>	<u>(2,512,604)</u>	<u>(2,297,886)</u>
NET CURRENT ASSETS		<u>3,591,665</u>	<u>3,158,984</u>	<u>3,591,665</u>	<u>3,158,984</u>
NET ASSETS		<u>6,708,081</u>	<u>5,174,169</u>	<u>6,708,081</u>	<u>5,174,169</u>
FUNDS					
General funds	21	5,838,609	4,492,923	5,838,609	4,492,923
Restricted funds		422,103	206,139	422,103	206,139
Designated funds		447,369	475,107	447,369	475,107
TOTAL FUNDS	22	<u>6,708,081</u>	<u>5,174,169</u>	<u>6,708,081</u>	<u>5,174,169</u>

The net movement in funds for the year relating to the parent charity alone amounted to £1,533,912.

The financial statements were approved and authorised for issue by the Board of the Trustees on 9 April 2018 and were signed below on its behalf by:



Trustee – P Harkjaer

The notes on pages 19 to 32 form part of these accounts.

MAKE-A-WISH FOUNDATION® UK
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2017

		2017		2016	
	Notes	£	£	£	£
Cash provided by operating activities	a.		1,186,756		1,617,429
Cash flows from investing activities					
Interest and dividend income		51,652		42,100	
Purchase of tangible fixed assets		(22,722)		(24,838)	
Proceeds from sale of tangible fixed assets		-		1,341	
Purchase of investments		(1,854,663)		(427,608)	
Proceeds from sale of investments		870,425		373,694	
Cash used in investing activities			(955,308)		(35,311)
Increase in cash and cash equivalents in the year			<u>231,448</u>		<u>1,582,118</u>
Cash and cash equivalents at the beginning of the year			3,746,732		2,164,614
Total cash and cash equivalents at the end of the year			<u>3,978,180</u>		<u>3,746,732</u>

NOTES TO THE CASH FLOW STATEMENT

a. Reconciliation of net movement in funds to the net cash inflow from operating activities	2017	2016
	£	£
Net movement in funds	1,533,912	(927,921)
(Gains) on investments	(144,731)	(117,368)
Depreciation charges	50,460	58,700
Interest and investment income receivable	(51,652)	(42,100)
(Increase)/decrease in debtors	(1,400,321)	3,275,472
Decrease in stock	34,266	336
Increase/(decrease) in creditors	1,164,822	(629,690)
Net cash inflow from operating activities	<u>1,186,756</u>	<u>1,617,429</u>

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 FRS102. 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 average wish costs. 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 Trust 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 Foundation 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
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.

On transition to FRS 102, the charitable company elected to use the previous valuation of land and buildings as at 31 December 2013 as the deemed cost for that asset.

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
YEAR ENDED 31 DECEMBER 2017

3 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Donations	3,161,895	378,901	3,540,796	2,944,098
Legacies	674,793	1,500	676,293	392,472
Donations in kind	376,390	-	376,390	504,427
Donations in relation to Text Santa	178	-	178	75,396
	<u>4,213,256</u>	<u>380,401</u>	<u>4,593,657</u>	<u>3,916,393</u>

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Fee from international affiliates	<u>34,243</u>	<u>-</u>	<u>34,243</u>	<u>32,353</u>

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Fundraising events	2,891,517	191,105	3,082,622	2,617,108
Shop income	48,494	-	48,494	44,638
Subsidiary's income	2,895,502	-	2,895,502	378,775
	<u>5,835,513</u>	<u>191,105</u>	<u>6,026,618</u>	<u>3,040,521</u>

6 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Dividends	41,572	-	41,572	25,833
Deposit account interest	10,080	-	10,080	16,267
	<u>51,652</u>	<u>-</u>	<u>51,652</u>	<u>42,100</u>

7 EXPENDITURE ON RAISING FUNDS

	2017 £	2016 £
Donations & Legacies		
Direct fundraising costs	243,772	430,986
Agency & professional fees	26,816	33,382
Postage and stationary	23,034	24,097
Staff & related costs	825,231	1,120,925
Staffing costs	24,277	24,302
Subscriptions	5,751	8,270
Telephone	6,899	8,115
Travelling	38,704	43,289
Sundry expenses	1,018	666
Website costs	11,635	10,048
Office costs	82,717	84,850
Legal & professional	18,444	4,926
Finance costs	12,127	10,804
	<u>1,320,425</u>	<u>1,804,660</u>
Other trading activities		
Direct fundraising costs	1,656,137	749,859
Agency & professional fees	19,036	14,307
Postage and stationary	11,410	8,494
Merchandise	-	19,676
Staff & related costs	324,301	194,787
Staffing costs	3,480	9,577
Subscriptions	4,070	4,971
Telephone	2,194	1,804
Travelling	12,653	11,045
Sundry expenses	1,195	104
Website costs	5,094	9,516
Office costs	34,320	34,005
Legal & professional	19,224	2,111
Finance costs	5,734	4,585
Bad debts	53,300	-
	<u>2,152,148</u>	<u>1,064,841</u>
	<u>3,472,573</u>	<u>2,869,501</u>

8 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2017 £	2016 £
Wishgranting expenses				
Travel	582,294	-	582,294	602,338
Accommodation	942,302	-	942,302	1,354,080
Spending allowance and direct costs	422,519	-	422,519	424,055
Insurance	103,832	-	103,832	59,977
Wish items and sundries	247,201	355,542	602,743	1,005,277
Movement in provision for wishes in progress	525,470	-	525,470	(481,737)
	<u>2,823,618</u>	<u>355,542</u>	<u>3,179,160</u>	<u>2,963,990</u>
Donations in Kind				
Travel	22,445	-	22,445	23,610
Accommodation	154,335	-	154,335	148,482
Wish items and sundries	122,564	-	122,564	270,538
	<u>299,344</u>	<u>-</u>	<u>299,344</u>	<u>442,630</u>
Other				
Payments to affiliates	796,256	-	796,256	-
Support costs (note 9)	1,569,656	-	1,569,656	1,800,535
	<u>2,365,912</u>	<u>-</u>	<u>2,365,912</u>	<u>1,800,535</u>
	<u>5,488,874</u>	<u>355,542</u>	<u>5,844,416</u>	<u>5,207,155</u>

9 ANALYSIS OF SUPPORT COSTS

	Staff and related costs £	Other direct costs £	2017 Total £	2016 Total £
Wishgranting support costs				
International registration fee	-	192,572	192,572	282,911
Administration costs	-	22,530	22,530	50,999
Finance	-	32,742	32,742	9,032
Office costs	1,037,780	268,367	1,306,147	1,443,312
Governance costs (below)	-	15,665	15,665	14,281
	<u>1,037,780</u>	<u>531,876</u>	<u>1,569,656</u>	<u>1,800,535</u>
			2017 £	2016 £
Governance costs				
Accountancy fees			4,865	3,031
Auditors' remuneration			10,800	11,250
			<u>15,665</u>	<u>14,281</u>

10 NET INCOME FOR THE YEAR

	2017 £	2016 £
This is stated after charging:		
Operating leases - equipment	7,807	8,735
Auditors' remuneration	10,800	11,250
Accountancy fees	4,865	3,031
Depreciation - owned assets	<u>50,460</u>	<u>58,700</u>

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

	2017 £	2016 £
Salaries	1,916,767	2,040,775
Social security costs	166,081	205,630
Pension costs	70,482	114,083
Redundancy costs	-	35,473
	<u>2,153,330</u>	<u>2,395,961</u>

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

	2017 No.	2016 No.
£60,001 to £70,000	3	4
£70,001 to £80,000	-	1
£80,001 to £90,000	<u>2</u>	<u>1</u>

Total pension payments for higher paid employees were £14,707 paid to 5 employees (2016 - £20,283 paid to 6 employees).

There were no trustees' remuneration or other benefits for the year ended 31 December 2017, nor for the year ended 31 December 2016.

During the year £nil was reimbursed to the trustees (2016 - £nil).

The key management personnel of the charity, and the group, comprises the trustees, the Chief Executive Officer, Director of Finance, Director of Fundraising & Marketing, Director of Wishgranting, Director of Operations, Director of H.R. & Volunteering and Director of Digital & Marketing (post ceased in July 2017). The total employee benefits of the key management personnel of the charity were £525,951 (2016 - £607,984).

12 STAFF NUMBERS

The average number of employees analysed by activity:

	2017 No.	2016 No.
Wishgranting and Communications	25	27
Administration	10	11
Fundraising & Volunteer Management	31	33
	<u>66</u>	<u>71</u>

13 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.

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

	Freehold Property	Improvem - ent to Property	Office Equipment	Computer Equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2017	470,000	58,126	81,312	294,541	903,979
Additions	-	-	-	22,722	22,722
At 31 December 2017	<u>470,000</u>	<u>58,126</u>	<u>81,312</u>	<u>317,263</u>	<u>926,701</u>
Accumulated depreciation					
At 1 January 2017	67,000	58,126	59,503	244,243	428,872
Depreciation charge for year	9,400	-	12,864	28,196	50,460
At 31 December 2017	<u>76,400</u>	<u>58,126</u>	<u>72,367</u>	<u>272,439</u>	<u>479,332</u>
Net book value					
At 31 December 2017	<u>393,600</u>	<u>-</u>	<u>8,945</u>	<u>44,824</u>	<u>447,369</u>
At 31 December 2016	<u>403,000</u>	<u>-</u>	<u>21,809</u>	<u>50,298</u>	<u>475,107</u>

15 FIXED ASSET INVESTMENTS

	2017 £	2016 £
Group and Charity		
Market Value		
At 1 January	1,540,078	1,368,796
Additions at cost	1,854,663	427,608
Disposal proceeds	(870,425)	(373,694)
Realised gain on investments	39,973	1,129
Unrealised gain/(loss) on investments	<u>104,758</u>	<u>116,239</u>
At 31 December	<u>2,669,047</u>	<u>1,540,078</u>
Historical cost		
At 31 December	<u>2,519,416</u>	<u>1,437,320</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.

16 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.

	2017 £	2016 £
Make-A-Wish Promotions Limited		
Summary Profit and Loss Account		
Turnover	2,895,502	378,775
Cost of sales	(476,149)	-
Total gross profit	2,419,353	378,775
Administrative expenses	(47,147)	(2,901)
Operating profit for the year	2,372,206	375,874
Gift Aid payment to parent company	(1,575,950)	(375,874)
Gift Aid payment to other charity	(796,256)	-
Tax	-	-
Retained profit for the year	-	-
	2017 £	2016 £
The assets and liabilities:		
Current assets	2,768,034	288,814
Current liabilities	(2,768,033)	(288,813)
Total net assets	1	1
Aggregate share capital and reserves	1	1

17 STOCKS

	Group and Charity	
	2017 £	2016 £
Finished goods	12,122	46,388

18 DEBTORS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	1,079,461	315,097	128,533	170,618
Prepayments and accrued income	2,015,231	1,379,274	1,968,949	1,324,559
Amounts owed by group undertakings	-	-	1,787,307	258,193
	<u>3,094,692</u>	<u>1,694,371</u>	<u>3,884,789</u>	<u>1,753,370</u>

19 CREDITORS: amounts falling due within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	208,712	465,292	204,590	465,292
Social security and other taxes	220,064	85,164	51,847	57,548
Committed wishes	1,977,200	1,451,730	1,977,200	1,451,730
Other creditors and accrued expenses	986,507	172,841	178,121	169,836
Deferred income	<u>100,846</u>	<u>153,480</u>	<u>100,846</u>	<u>153,480</u>
	<u>3,493,329</u>	<u>2,328,507</u>	<u>2,512,604</u>	<u>2,297,886</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 December 2017 the committed wishes creditor represented 659 wishes at an average cost of £3,000 (2016 - 532 at an average cost of £2,729).

20 OPERATING LEASE

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

	Equipment	
	2017 £	2016 £
< 1 year	4,727	4,727
2 - 5 years	<u>3,546</u>	<u>8,273</u>
	<u>8,273</u>	<u>13,000</u>

21 ANALYSIS OF CHARITABLE FUNDS

	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.
General fund	The 'free reserves' after allowing for all designated funds.
Fixed asset fund	Reflects the net book value of assets not available for immediate conversion to cash.

During the year, the Reserves Policy was revised. This is detailed within the Trustees' Report on page 10.

22 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

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	<u>422,103</u>	<u>447,369</u>	<u>5,838,609</u>	<u>6,708,081</u>

23 RELATED PARTY TRANSACTIONS

At the year end £1,787,308 was due from Make-A-Wish Promotions Limited (2016 - £258,193).

24 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2016 £
INCOME AND EXPENDITURE			
INCOME FROM			
Donations and legacies	3,685,797	230,596	3,916,393
Charitable activities	32,353	-	32,353
Other trading activities	3,040,521	-	3,040,521
Investment income	42,100	-	42,100
Total	6,800,771	230,596	7,031,367
EXPENDITURE ON			
Raising funds	2,869,501	-	2,869,501
Charitable activities	5,182,698	24,457	5,207,155
Total	8,052,199	24,457	8,076,656
Net income/(expenditure) before gains on investments	(1,251,428)	206,139	(1,045,289)
Net gains on investments	117,368	-	117,368
Net movement in funds	(1,134,060)	206,139	(927,921)
Reconciliation of funds			
Total funds brought forward	6,102,091	-	6,102,091
Total funds carried forward	4,968,030	206,139	5,174,169