

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

**CONSOLIDATED REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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 AUGUST 2019**

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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 August 2019. 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

<u>Trustees</u>	
Per Harkjaer	Chairman
David Hockley	
Damian Thornton	
Brian Robinson	Resigned - 15/02/2019
Catherine Salter	
Ed Smith	
Kara Cauter	
David Gold	
Sir Craig Oliver	Appointed 26/09/2018

Key Personnel and Senior Management Team

Jason Suckley	Chief Executive
Elizabeth Sell	Director of Finance
Jenny Cook	Director of Wishgranting
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 Strategy & Business Transformation - left 16/05/2019
Marcus Lee	Director of People & Culture - left 27/02/2019

Company Secretary  
Lisa Taylor

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**YEAR ENDED 31 AUGUST 2019**

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Auditors

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

Solicitors

Penningtons  
Highfield  
Brighton Road  
Godalming  
Surrey GU7 1NS

Bevan Kidwell LLP  
113-117 Farringdon Road  
London  
EC1R 3BX  
Appointed 23/08/2019

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

Every year, many thousands of children in the UK are diagnosed with a critical illness. The type of condition that threatens the life of the child and the heart of the family. The simple pleasures of childhood and family life are consumed by endless hospital appointments, family separation and grueling treatment.

In the midst of this, a child can feel alone, isolated and anxious. Families can be broken, financially stretched and emotionally exhausted. Too often, this compounds the physical and emotional challenges the child faces and has consequences for the quality of their life.

Every year more children turn to us for a wish. A moment about hope and joy, rather than hospitals. For the focus to be on childhood, not a medical condition. Our aim is to reach every child in the UK who is eligible for a wish.

The number of children turning to us for a wish continues to increase. In recent months this has accelerated as the capacity to grant wishes across other charities has reduced due to a challenging period for fundraising across the sector. Our own fundraising income, excluding legacies, remained flat in 18/19 although we experienced a drop in our legacy income from £326k to £47k. Whilst we don't anticipate the decline in our legacy income to be a trend, given the relatively small number of legacies we receive and therefore the inherent variability of this income, we have taken steps to reduce our reliance on legacy income.

All of our reporting, including the number of wishes we grant, is now aligned with our financial year of September to August. Within this context, across the 18/19 financial year (as opposed to the calendar year of 2018) we granted the wishes of 1,114 children, another record period for the charity. In addition we assisted with the wishes of 132 children from other Make-A-Wish affiliates who chose to have their wish in the UK and 15 wishes on behalf of other charities. We did this whilst continuing to broaden the range of wishes we grant through the introduction of a Disney Florida wish.

Everyone at Make-A-Wish UK is committed to ensuring that we are capable of granting an impactful wish to every child who turns to us. With this in mind, as part of our Reach Every Child transformation programme we established a new technology platform in support of the wish journey. Whilst the benefits of the platform are yet to be fully realised, in addition to increasing efficiency and improving access to information across the wish journey, this will ultimately form a common platform upon which we can engage and mobilise a wider Make-A-Wish community of employees, volunteers and partners. Together, we are a community inspired by a common purpose, empowered and equipped to grant wishes and raise funds, with the child at our heart.

When a child turns to us, we work with them to create a unique experience, inspired by their own imagination. Every step of our wish journey is planned to be a positive experience for the child and their family. We know that, as a result of this journey, wishes change lives. Over the past couple of years we have been taking steps to better define and understand the impact of our wishes in order to maximise the difference they make to the lives of children and their families. In early 2018 we commissioned Aston University to carry our research into the impact of our wishes. Alongside this, with the support of Disney, we commissioned New Economics Foundation to develop a Theory of Change for our Disneyland Paris wishes. Throughout 2018/19 we also carried out our own pre and post wish surveys to gain a deeper understanding of impact. The results of this collated research have highlighted that, for instance, wishes strengthen family bonds, previously strained through the challenges of managing a child's condition. We will be making this research public in early 2020.

We will continue to improve our understanding of the impact of wishes across 19/20 whilst applying what we now know to the development of wish journeys in order to maximise the positive benefits to the lives and the children, and their families.

The safety and welfare of every child whose wish we grant is central to all that we do. Through 18/19 we continued to strengthen our approach to safeguarding. This included, working in partnership with the NSPCC, carrying out a review of our safeguarding practices, updating our policies and developing a plan to roll out another wave of training across the Make-A-Wish community in 19/20.

We continue to be extremely grateful to all of our supporters. Together we are changing lives through wishes. A great example of this is Art of Wishes. Created by Make-A-Wish UK Patron Batia Ofer, this unique initiative connects the

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world of art with the wishes of children. The latest Art of Wishes event took place on 1<sup>st</sup> October 2019 and raised an incredible £1.6m for children in the UK and across a number of other Make-A-Wish affiliates.

We are also exceptionally fortunate to have the support of the Kentown Wizard Foundation who have agreed to provide funding for all of our Disneyland Paris wishes for 4 years from 2020. This ground-breaking partnership will change the lives of many hundreds of children whilst enabling us to plan with confidence over the next few years.

A wish is so much more than a day or week in a child's life. The impact of it can be felt from the minute they are first asked to open their imagination. Wishes bring joy and hope. Wishes build confidence, resilience and self-worth. Wishes re-build fractured families, reconnecting relationships. Wishes are more than a moment. They're a lifetime of memories.



P Harkjaer  
Chairman

Date: 21/2/19

## **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 £89,301, and directors' salaries range from £64,297 to £87,200. 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.

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. To guide us towards the achievement of our mission, we have four strategic goals:

#### **Every wish journey has a life-enhancing impact for a child and their family**

In 2018/19 we improved our understanding of the impact we want to have and how to achieve it. Aston University completed qualitative and quantitative research looking at the impact of a wish, we undertook our own pre and post impact research through questionnaires sent to wish children and families and we worked with New Economics Foundation to develop a Theory of Change Model for our Disney Land Paris Wishes. At the end of 2018/19 we started to collate and analyse the insights gained over the year and will communicate the outcomes of this early 2020.

#### **Grant a wish for every eligible child**

2018/19 has been our most successful year for wishes granted and our busiest yet for enquiries about wishes.

#### **More people believe every eligible child needs a life-enhancing wish**

In 2018, we ranked 27th in the Charity Brand Index (Third Sector). This is a fall of 3 places on the previous year. During this year we have undertaken specific insight research into audiences related to our individual giving activity in order to better understand the attitudes of donors and potential donors. This is resulting in changes to how we approach our fundraising messaging and audience development work. Additional focus on some of our key channels is resulting in sustainable social audiences and audience engagement.

#### **Sustainable growth of income and resources**

In 2018/19 our total income excluding donations in kind, legacies and the Art of Wishes remained relatively flat compared to the previous 12 months.

### **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**

### **Enquiries and Wishes Granted**

2018/19 saw an increase in enquires at 2,432 which is a 15% increase on previous year. Around 85% of our enquiries are generated by the general public with the remainder from partners / health and social care professionals. We had a monthly average of 1,042 live enquiries of which an of average 35% of children did not fall within our criteria. In 2018/19 1,474 children qualified for a wish and started their own unique wish journey.

2018/19 has been our most successful year for wishes granted. We granted 1,114 wishes to children from within the United Kingdom, a 6% annual increase. We granted 132 wishes for wish children from outside the UK as part of our Make-A-Wish International Affiliate network, an increase of 60% year on year. We delivered 15 wishes on behalf of other Wishgranting Charities in the UK which included meeting the children's entertainer 'Mr Tumble' and YouTuber 'Dan DTM'. In 2018/19 our wishes were split 51% travel outside the UK and 49% UK/Other. The 2017/18 trend of increased demand for travel outside of the UK appears to have abated across the Wishgranting sector.

### **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. This has allowed us to speed up the qualification notification to potential wish children and their families and expediate their entry onto their personal wish journey.

We continued relationships with other professional and charitable organisations, notably Ronald McDonald House Charity UK and CLIC Sargent that are keen to work with us to refer more eligible children for wishes to be granted. These partnerships support children and young people to access their Wish Journey in a timelier manner.

### **The Wish Journey**

In 2018/19, the Wish Journey has continued to be key in helping us create impactful wish experiences for the critically ill children who turned to us. We have seen the effects a wish can have on a seriously ill child and their families: from creating incredible memories, building confidence and bringing happiness, to providing respite from the daily struggles that come with a critical illness. We know what wishes can give, and this is the driving force behind why we continue to do what we do. The journey starts with the capturing of a child's One True Wish that is unique to Wishgranting in the UK and then is passed to a team of employees to develop and deliver the wish. This year we have started to engage communities in different guises both in the UK and abroad to support wishes, from Ex-Pat communities in Poland to a church community in Coventry and we are looking to develop and broaden this engagement in 2019/20.

### **Capturing a child's One True Wish**

The child's wish starts with two volunteer wish visitors visiting them at home to capture a wish. Often for our wish children this is the first opportunity in a long time for them to focus and take control of something in their lives. It is so important that our wish children are empowered to choose a wish that that is truly meaningful to them and the 'why' of their wish is important to us, so that we can shape a wish that is unique to them. Wish visitors undertook training in early 2018/19 ensuring we standardise and maximise the experience at the start of the wish journey for all our wish children in the capture process. In 2018/19 where feasible all children received a face to face meeting with wish visitors with less than 3% having their wish captured by 'Facetime'. This is a significant improvement on the previous year.

### **Granting wishes through corporate partnerships**

In 2018/19, we continued to develop our long-term partnerships with Disney EMEA, Disney Land Paris, Give Kids the World, Canterbury Travel, Caribbean Cruises & Hot Tub Warehouse. 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.

### **Granting wishes through community collaborations**

Aspirations have long been held to involve our wider community in the granting of wishes, in the way in which the organisation was first established. There are compelling reasons for this – many of which support the challenges that we face as an organisation today, with increased referrals and a challenging fundraising environment. Furthermore, we believe that through this approach, we will not only reach more children but also have the potential to grant more

impactful wishes - while simultaneously supporting the brand goal of more people believing that children with critical illness are deserving of a wish.

In 2018/19 we defined 'community' as a group of people connected by a common purpose. This includes any individuals, or groups, involved with the granting of a wish - from the friends & family of the child, through to supporters, volunteers, partners, consultants, employees and trustees.

Our Community Approach describes our aims to build organisational capability to develop and empower communities - enabling these networks to take an active role in supporting the delivery of our mission.

Through developing our approach, six areas were prioritised in order to develop the organisation's capability to grant wishes through communities. These six areas fall into two main categories. This year significant activities have been achieved in A, with B being a focus for 19/20.

- A. Our ability to harness and grow our volunteer and supporter network to contribute and enhance the wish journey (see section **Volunteers and Supporters**)
- B. Our ability to secure partnership and optimise the Gift in Kind opportunity

### **Fundraising**

In 2018/19, our total fundraising income (donations & legacies, including donations in kind, plus other trading activities) was £8,191,850 (2018 8 months: £4,482,257). With a continued increase in demand for wishes, we are seeking to both grow a diversified income portfolio and utilise our resources more effectively.

Excluding donations in kind, legacies and the Art of Wishes events which alternate annually between a major gala and a smaller fundraising lunch, our gross fundraising income remained flat at £7.6 million. Reflecting a challenging external climate, our areas of Mass fundraising - which includes donations from individuals, both one off and regular, struggled to grow. We did however see growth across our High Value portfolio of corporate partners and special events.

Our legacy income for 2018/19 was considerably lower than in previous years at £47,068.

### **Corporate Partnerships and High Value Events**

We received substantial support from a number of major corporate partners including Poundland, Adecco, Close Brothers, Legacy Education Alliance and The Walt Disney Company. Our three dedicated committees; Art of Wishes Winter Ball and Spring Ball delivered highly successful events, incorporating new formats and venues.

### **Mass Fundraising**

Support across the Mass Fundraising portfolio has been incredible with hundreds taking on gruelling challenges, from running seven ultra marathons in seven days to scaling Mount Kilimanjaro. We are enormously grateful to those that choose to donate to Make-A-Wish, whether it's a one-off gift, a regular donation or remember us in their will - thank you. Without the support of individuals, volunteers, community groups and companies in the regions across the UK we simply could not grant life-changing wishes.

It's safe to say that the fundraising landscape over this past year has changed and it's not been easy. Developing our mass fundraising income streams is key to our sustainable growth over the coming years. We're increasing our understanding of our supporters and their motivation so that we can make insight led decisions and tailor supporter experiences accordingly. This is supported by a new website which makes it easier and simple for supporters to donate. And finally, we're looking to develop and implement a new regular giving product for the mass market that is scalable and will underpin the foundations of a sustainable fundraising portfolio.

We would particularly like to thank our partners at ITV for their continued support through the 'I'm a Celebrity Get Me Out of Here' and 'The Voice Kids' phone vote competitions.

### **Communications and Complaints**

We communicate with our supporters through a variation of email, direct mailings and telephone calls. We have continued to recruit new supporters through online advertising, social channels, our website and payroll giving. We have also used out of home advertising for the first time to support our Christmas Appeal. Fundraising via digital

channels remains a focus with testing a key focus. We also launched our new, more secure and better optimised website in July.

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 9 complaints, none of which were escalated to the Fundraising Regulator (16 in the previous 8 months, 1 escalated).

### **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. As planned, a review of policy, practices and training was carried out in consultation with the NSPCC in 2018-19. This has resulted in a more comprehensive Safeguarding and Child Protection Policy, specific to Make-A-Wish and our practices. In addition, NSPCC have provided recommendations as to how we can incorporate 'safer recruitment' into our procedures, which we are due to implement this year. We have also identified 12 Designated Safeguarding Officers – training will be completed before the end of 2019.
2. As a result of the legislative changes (GDPR and Data Protection Act 2018), we continued phase 2 of our GDPR and Data Privacy Compliance Project through a development programme, ensuring that policy, procedure, and training are updated, implemented and absorbed into 'business as usual.' We are now able to monitor and ensure that the highest levels of compliance are maintained when managing our data; as per ICO guidelines paying particular diligence and care to the processing of children's special category data.

### **Volunteers and Supporters**

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

Following the successful recruitment and training of Wish Visitors last year, we now have an agile process in place that allows us to be reactive to the demand of visits. Experienced volunteer trainers provide training locally – which coupled with the Welcome Volunteer Induction ensures an engaging and informative start in role. We now have 420 active Wish Visitors capturing the One True Wish of every child.

Ensuring that we are supporting this network appropriately and communicating in a meaningful way has been a focus in 2018/19. We have piloted a new volunteer role, Wish Visitor Community Leader – with responsibilities that include; supporting Wish Visitors in their community, being a conduit of information and establishing mini teams/hubs that are connected and meet physically. This has been evaluated with a quarter of the network – 86% of which stated that they would like to see the role implemented nationally. Recruitment is now imminent.

Development of the Salesforce platform/dashboard for Community Leaders has also been achieved. This provides Community Leaders with visibility of the volunteers in their community (activity, skills, experience, volunteering preferences) but also allows Wishgrants direct access to local community hubs, enabling collaborate working on the delivery of wishes.

We've also completed an audit on our Fundraising volunteer network - retiring inactive volunteers in line with our Volunteering Excellence Toolkit, to raise standards of Volunteering at Make-A-Wish. A new fundraising proposition is in the process of being developed and will be piloted next year.

The volunteer survey captured at the beginning of 2019 informed us that 95% of volunteers said they would recommend Make-A-Wish as a good place to volunteer, a marginal increase on last year. And the overall score for volunteer management was 53% an increase of 13% on last year.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable Activities**

In 2018/19, 53% of our total fundraised income came from our High Value teams which include Corporate Partnerships, Trusts, Major Donors and Special Events. The remaining 47% of was split across the areas of Mass fundraising, which includes Community Fundraising, Individual Giving and Challenge Events. Over the course of

2019/20 and beyond, we will continue to focus on increasing our underlying fundraising income across all income streams, in particular exploring new products for Mass fundraising, as the basis for sustainable growth.

## **FINANCIAL REVIEW**

### **Financial Performance**

The prior year comparators in this report must be the audited figures from 2018 which was an 8-month period as we changed our year end from December to August. In the table on the following page, and in Appendix 1, we show the unaudited figures for the period September 2017 to August 2018, in order to give a clearer comparison with the audited 2018/19 performance. However, the 2017/18 year included the Art of Wishes gala which had gross income of over £2.4 million contributing £1.1 million after costs and the grant to Make a Wish International which explains the significant difference between the two 12 month periods.

	<b>Audited 2018/19 12 months</b>	<b>Unaudited 2017/18 12 months</b>	<b>Audited 2018 8 months</b>
Income excluding building sale	8,228,247	11,389,629	4,567,701
Expenditure			
Raising funds	3,671,747	4,621,273	2,140,145
Charitable activities	5,291,536	5,758,344	3,564,841
Total expenditure	8,963,283	10,379,617	5,704,986
<b>Net expenditure before investments</b>	<b>(735,036)</b>	<b>1,010,012</b>	<b>(1,137,285)</b>
Building sale	-	700,117	700,117
<b>Net income/(expenditure) before gains on investments</b>	<b>(735,036)</b>	<b>1,710,129</b>	<b>(437,168)</b>

Make-A-Wish's total income including fundraising, legacies, donations in kind and other non-fundraising income was £8,228,247 (2018 £4,567,701 excluding the net surplus from the sale of our Camberley property). We invested £3,671,747 in raising this income and spent £5,291,536 in support of our core objectives, leaving a deficit of £524,734 after investment gains.

Over the course of the year, 59 pence of every pound spent by the charity was spent on charitable activities, which is less than in the previous year (63p 2018). There are several reasons for this, including a declining ROI on Fundraising investment, but the main cause is the change we made during the year to the point at which we approve wishes and so recognise the wish cost in our accounts; approval is now later in the wish journey, closer to the wish delivery date. This change in administrative process has made the 2018/19 wishgranting expenditure lower as a proportion of total expenditure even though we are delivering more wishes than ever before. Our average cost of wishes in progress at year end increased to £3,318 (from £3,219 2018).

The charity's wholly owned trading subsidiary, Make-A-Wish Promotions Limited, achieved profit of £849,724 (2018 £82,443). Much of the corporate income that goes through this company is secured in the autumn/Christmas period which is why the 2018 'year' of January to August is comparatively so low.

### **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 2019, the total reserves were £5,778,092. 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 2019, this amounted to 391 wishes totalling £745,261, (2018 584 wishes totalling £1,457,234 ). The drop is because we are now confirming the wish later in the process, closer to the wish delivery date.

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 (£105,940) and the Designated Fixed Asset Fund (£751,722) - see note 22 for the definition of these funds.

The cover at the end of 2019 is £5,665,691 which is 6.2 months of expenditure cover (2018 £7,200,927, 8 ½ months); the budget for 2019/20 includes the planned Art of Wishes biennial gala event plus continuing 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.

Investments were previously held in a relatively liquid portfolio managed by Barclays Wealth, a division of Barclays. Since April 2018 investments have been held in the Barclays Charity Fund, which provides a moderate risk profile with a 10 year investment horizon. The investment objective is to grow the value of long term reserves to keep pace with inflation.

The trustees authorised £250k to be withdrawn from the portfolio in August 2019 for working capital, in line with our planned investment from reserves.

Investment performance is monitored regularly and reported quarterly to the trustees. The portfolio performance for the period was 5.07% before fees (4.76% after fees) compared to the benchmark of 4.26% (1.82% before fees and 1.19% after fees in 2018).

## **FUTURE DEVELOPMENTS**

### **2019/20 and Beyond**

Our aspirations are guided by our mission and goals stated in the 2019-2022 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 impact for the child and their family.**

In 2019/20 we will seek to further improve our understanding of the impact of our wishes whilst aiming to develop the wish journey to strengthen the positive outcomes of a wish for the child and their family. This will be supported by the establishment of a Children and Young Person's Advisory Group which will form part of our governance framework

**Goal 2: We aim to grant a wish for every eligible child.**

Towards the end of 2018/19 we experienced a sharp increase in the number of children turning to us for a wish. We believe increased demand for wishes coupled with limited capacity across the rest of the charity sector is driving this. This is likely to lead to another record year for the number of wishes we grant.

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

During 2019 we undertook specific insights projects around audiences who make one off and regular gifts to us, to understand their key motivations. We also undertook external brand research to understand the wider public perception of our brand with donors and non-donors. This work is now resulting in changes in our approach to fundraising communication which will be a key focus area to embed into 2019/20. This will feature message testing activity and a shift in our approach to the generation and use of content relevant to audience engagement and propensity to give. Our brand remains well recognised and it is our goal to ensure this continues to be the case so are pursuing high profile media activities.

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

In 2019/20 we will aim to grow our mass fundraising and generate resources for our wishes through the engagement of communities, volunteers and partners, in order to create a resource base which can support the sustainable growth of impactful wishes.

## 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 regularly reviewed by the trustees and helps shape the ongoing development of our plans.

The Trustees consider the key strategic risks to be:

- The sustainability of fundraising growth
- Demand exceeding our ability to grant impactful wishes
- Increase in average wish costs due to demand for expensive wishes
- The impact of people (employee and volunteer) relations on our ability to grant wishes
- A lack of alignment between our culture and reputation and our mission
- Our ability to successfully undertake an ambitious business transformation programme
- The safeguarding of children and management data in line with our policies and values

The mitigation of these risks is embedded within the 2019-22 Strategic Plan.

**Sustainable fundraising growth** - Continued focus on a diversified portfolio of income streams and the development of long term relationships with a growing number of supporters.

**Demand exceeding our ability to grant impactful wishes** – Given the growth of referrals to us, the effective mitigation of this risk is a priority for the strategic plan. Whilst growth in fundraising forms part of our approach to this, we cannot be fully dependent on growth in income to meet growing demand for wishes. In 19/20 we will continue to transform what we do through the ongoing development of technology (accompanied by the development of people skills to maximise its benefits) and the growth of an engaged Make-A-Wish community. This community consists of volunteers, partners and supporters all playing a role in the granting of our wishes.

**Increase in average wish costs** – Over the past 3 years the average cash cost of our wishes has reduced from over £3,800 to around £2,750. This has been achieved whilst broadening the range of wishes we offer and continuing to enhance the quality of the experience across the wish journey. We will seek to continue to increase impact whilst continuing to reduce average wish costs through generation of donations in kind through engaged communities, establishing more partnerships with businesses to support our wishes and focusing on the moments that matter most to our wish children.

**People Relations** – We seek to create a mission driven environment within which employees and volunteers are trusted and empowered to make decisions, Our latest employee engagement survey, carried out in January 2019,

showed that 98% of employees are 'highly committed to Make-A-Wish'. In a survey carried out in April 2019, 95% of volunteers said 'they would recommend Make-A-Wish as a good place to volunteer'. Whilst this is a good base to start from, we must continue to ensure that everyone connected with Make-A-Wish feels inspired and happy to be part of what we do.

**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** – In 2018/19 we have embedded the aims and activities of the Reach Every Child transformation programme within a new Capability Development function. The purpose of this function to create an organisation, and a wider community, capable of achieving our strategic goals.

**Safeguarding & Data Protection** – In partnership with NSPCC, we will implement a Safeguarding programme in 19/20 that will build on the policy and training work we have already done in this area. We will also build upon the considerable progress we have made over the past couple of years in managing data effectively and safely.

## 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 LLP, 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: 21/2/19



### **Opinion**

We have audited the financial statements of Make-A-Wish Foundation UK for the year ended 31 August 2019, set out on pages 17 – 33, 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 2019 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](http://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 LLP, Statutory Auditors  
Date 21/2/19

10 Queen Street Place  
London  
EC4R 1AG

**MAKE-A-WISH FOUNDATION® UK**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE CONSOLIDATED INCOME**  
**AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 AUGUST 2019**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 12 Months £	Unrestricted Funds £	Restricted Funds £	Total 2018 8 Months £
<b>INCOME AND EXPENDITURE</b>							
<b>INCOME FROM</b>							
Donations and legacies	3	4,030,511	480,877	4,511,388	2,865,727	95,663	2,961,390
Charitable activities	4	24,817	-	24,817	19,047	-	19,047
Other trading activities	5	3,482,554	197,908	3,680,462	1,437,330	83,537	1,520,867
Investment income	6	11,580	-	11,580	66,397	-	66,397
Other income	7	-	-	-	700,117	-	700,117
<b>Total</b>		<b>7,549,462</b>	<b>678,785</b>	<b>8,228,247</b>	<b>5,088,618</b>	<b>179,200</b>	<b>5,267,818</b>
<b>EXPENDITURE ON</b>							
Raising funds	8	3,671,747	-	3,671,747	2,136,341	3,804	2,140,145
Charitable activities	9	4,574,463	717,073	5,291,536	3,111,570	453,271	3,564,841
<b>Total</b>		<b>8,246,210</b>	<b>717,073</b>	<b>8,963,283</b>	<b>5,247,911</b>	<b>457,075</b>	<b>5,704,986</b>
<b>Net (expenditure) before gains on investments</b>		<b>(696,748)</b>	<b>(38,288)</b>	<b>(735,036)</b>	<b>(159,293)</b>	<b>(277,875)</b>	<b>(437,168)</b>
Net gains on investments	16	210,302	-	210,302	31,913	-	31,913
<b>Net movement in funds</b>		<b>(486,446)</b>	<b>(38,288)</b>	<b>(524,734)</b>	<b>(127,380)</b>	<b>(277,875)</b>	<b>(405,255)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		6,158,598	144,228	6,302,826	6,285,978	422,103	6,708,081
<b>Total funds carried forward</b>		<b>5,672,152</b>	<b>105,940</b>	<b>5,778,092</b>	<b>6,158,598</b>	<b>144,228</b>	<b>6,302,826</b>

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.

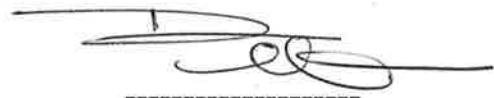
The notes on pages 20 to 33 form part of these accounts.

		Group		Charity	
		As at 31 Aug 2019	As at 31 Aug 2018	As at 31 Aug 2019	As at 31 Aug 2018
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	15	751,722	414,905	751,722	414,905
Investments	16	4,137,573	4,024,690	4,137,573	4,024,690
		<u>4,889,295</u>	<u>4,439,595</u>	<u>4,889,295</u>	<u>4,439,595</u>
CURRENT ASSETS					
Stock	18	34,471	27,926	31,107	19,778
Debtors	19	1,978,202	1,891,007	1,929,945	1,858,073
Cash at bank and in hand		1,062,852	2,459,945	1,048,255	2,394,407
		<u>3,075,525</u>	<u>4,378,878</u>	<u>3,009,307</u>	<u>4,272,258</u>
CREDITORS: amounts falling due within one year	20	<u>(2,186,728)</u>	<u>(2,515,647)</u>	<u>(2,205,235)</u>	<u>(2,491,470)</u>
NET CURRENT ASSETS		<u>888,797</u>	<u>1,863,231</u>	<u>804,072</u>	<u>1,780,788</u>
NET ASSETS		<u>5,778,092</u>	<u>6,302,826</u>	<u>5,693,367</u>	<u>6,220,383</u>
FUNDS					
General funds	22	4,920,430	5,743,693	4,835,705	5,661,250
Restricted funds		105,940	144,228	105,940	144,228
Designated funds		751,722	414,905	751,722	414,905
TOTAL FUNDS	23	<u>5,778,092</u>	<u>6,302,826</u>	<u>5,693,367</u>	<u>6,220,383</u>

The net movement in funds for the year relating to the parent charity alone amounted to £(527,016) (2018 8 months: £(487,698)).

The financial statements were approved and authorised for issue by the Board of the Trustees on 2/12/19 and were signed below on its behalf by:

  
Trustee – P Hartjaer

  
Trustee – D Hockley

The notes on pages 20 to 33 form part of these accounts.

**MAKE-A-WISH FOUNDATION® UK**  
**GROUP CASH FLOW STATEMENT**  
**YEAR ENDED 31 AUGUST 2019**

		2019 12 Months		2018 8 Months	
	Notes	£	£	£	£
Cash (used in) operating activities	a.		(1,022,128)		(934,881)
<b>Cash flows from investing activities</b>					
Interest and dividend income		11,580		66,397	
Purchase of tangible fixed assets		(483,964)		(417,021)	
Proceeds from sale of tangible fixed assets		-		1,091,000	
Purchase of investments		(245,352)		(5,628,584)	
Proceeds from sale of investments		342,771		4,304,854	
<b>Cash used in investing activities</b>			(374,965)		(583,354)
(Decrease) in cash and cash equivalents in the reporting period			(1,397,093)		(1,518,235)
<b>Cash and cash equivalents at the beginning of the year</b>			2,459,945		3,978,180
<b>Total cash and cash equivalents at the end of the year</b>			1,062,852		2,459,945

**NOTES TO THE CASH FLOW STATEMENT**

<b>a. Reconciliation of net movement in funds to the net cash flow from operating activities</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net movement in funds	(524,734)	(405,255)
(Gains) on investments	(210,302)	(31,913)
Net (gains) on sale of fixed assets	-	(684,280)
Depreciation charges	147,147	42,765
Interest and investment income receivable	(11,580)	(66,397)
(Increase) in debtors	(87,195)	1,203,685
(Increase) in stock	(6,545)	(15,804)
(Decrease) in creditors	(328,919)	(977,682)
<b>Net cash (used in) operating activities</b>	<b>(1,022,128)</b>	<b>(934,881)</b>

## 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**

Trustees have reviewed forecast income, expenditure and cash flows in the planning process and consider that the charity will have adequate resources to continue for the foreseeable future. It is therefore appropriate to continue to prepare the accounts on a going concern basis.

### **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.

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 accruals 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 AUGUST 2019**

**3 INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted Funds £	Restricted Funds £	2019 12 Months £	Unrestricted Funds £	Restricted Funds £	2018 8 Months £
Donations	3,567,769	480,877	4,048,646	2,239,755	92,663	2,332,418
Legacies	47,068	-	47,068	323,355	3,000	326,355
Donations in kind	415,674	-	415,674	302,617	-	302,617
	<u>4,030,511</u>	<u>480,877</u>	<u>4,511,388</u>	<u>2,865,727</u>	<u>95,663</u>	<u>2,961,390</u>

**4 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	2019 12 Months £	Unrestricted Funds £	Restricted Funds £	2018 8 Months £
Fee from international affiliates	<u>24,817</u>	<u>-</u>	<u>24,817</u>	<u>19,047</u>	<u>-</u>	<u>19,047</u>

**5 INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	2019 12 Months £	Unrestricted Funds £	Restricted Funds £	2018 8 Months £
Fundraising events	2,599,011	197,885	2,796,896	1,311,633	83,537	1,395,170
Shop income	14,460	23	14,483	9,054	-	9,054
Subsidiary's income	869,083	-	869,083	116,643	-	116,643
	<u>3,482,554</u>	<u>197,908</u>	<u>3,680,462</u>	<u>1,437,330</u>	<u>83,537</u>	<u>1,520,867</u>

**6 INVESTMENT INCOME**

	Unrestricted Funds £	Restricted Funds £	2019 12 Months £	Unrestricted Funds £	Restricted Funds £	2018 8 Months £
Dividends	2,003	-	2,003	61,205	-	61,205
Deposit account interest	9,577	-	9,577	5,192	-	5,192
	<u>11,580</u>	<u>-</u>	<u>11,580</u>	<u>66,397</u>	<u>-</u>	<u>66,397</u>

## 7 OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	2019 12 Months £	Unrestricted Funds £	Restricted Funds £	2018 8 Months £
Gain on disposal of property	-	-	-	700,117	-	700,117
	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,117</u>	<u>-</u>	<u>700,117</u>

## 8 EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2019 12 Months £	Unrestricted Funds £	Restricted Funds £	2018 8 Months £
<b>Donations &amp; Legacies</b>						
Direct fundraising costs	371,650	-	371,650	166,876	-	166,876
Agency & professional fees	64,183	-	64,183	31,691	-	31,691
Legal & professional	9,792	-	9,792	11,951	-	11,951
Staff & related costs	691,009	-	691,009	457,837	-	457,837
	<u>1,136,634</u>	<u>-</u>	<u>1,136,634</u>	<u>668,355</u>	<u>-</u>	<u>668,355</u>
<b>Other trading activities</b>						
Direct fundraising costs	1,249,286	-	1,249,286	687,135	-	687,135
Agency & professional fees	11,862	-	11,862	15,962	-	15,962
Legal & professional	4,198	-	4,198	5,124	-	5,124
Staff & related costs	309,670	-	309,670	167,173	-	167,173
Bad debts	242	-	242	11,325	-	11,325
	<u>1,575,258</u>	<u>-</u>	<u>1,575,258</u>	<u>886,719</u>	<u>-</u>	<u>886,719</u>
Support costs (note 10)	959,855	-	959,855	581,267	3,804	585,071
	<u>3,671,747</u>	<u>-</u>	<u>3,671,747</u>	<u>2,136,341</u>	<u>3,804</u>	<u>2,140,145</u>

## 9 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2019 12 Months £	Unrestricted Funds £	Restricted Funds £	2018 8 Months £
Wishgranting expenses	2,521,104	716,984	3,238,088	1,786,229	444,396	2,230,625
Donations in kind	372,238	-	372,238	221,639	-	221,639
Movement in provision for wishes in progress	(711,973)	-	(711,973)	(519,966)	-	(519,966)
Other	863,164	89	863,253	559,316	-	559,316
	<u>3,044,533</u>	<u>717,073</u>	<u>3,761,606</u>	<u>2,047,218</u>	<u>444,396</u>	<u>2,491,614</u>
Support costs (note 10)	1,529,930	-	1,529,930	1,064,352	8,875	1,073,227
	<u>4,574,463</u>	<u>717,073</u>	<u>5,291,536</u>	<u>3,111,570</u>	<u>453,271</u>	<u>3,564,841</u>

# 10 ANALYSIS OF SUPPORT COSTS

	Fundraising £	Wishgranting £	2019 12 Months £	Fundraising £	Wishgranting £	2018 8 Months £
Staff & related costs	361,070	615,026	976,096	291,001	431,519	722,520
International registration fee	-	185,303	185,303	-	109,808	109,808
Governance costs (below)	7,253	7,858	15,111	7,000	7,584	14,584
Other direct support costs	350,645	375,101	725,746	147,216	144,494	291,710
Reach Every Child	240,887	346,642	587,529	139,854	379,822	519,676
	<u>959,855</u>	<u>1,529,930</u>	<u>2,489,785</u>	<u>585,071</u>	<u>1,073,227</u>	<u>1,658,298</u>

	Fundraising £	Wishgranting £	2019 12 Months £	Fundraising £	Wishgranting £	2018 8 Months £
<b>Governance costs</b>						
Accountancy fees	774	839	1,613	672	729	1,401
Auditors' remuneration	6,479	7,019	13,498	6,328	6,855	13,183
	<u>7,253</u>	<u>7,858</u>	<u>15,111</u>	<u>7,000</u>	<u>7,584</u>	<u>14,584</u>

# 11 NET EXPENDITURE FOR THE YEAR

	2019 12 Months £	2018 8 Months £
This is stated after charging:		
Operating leases - equipment	5,034	6,712
Auditor's remuneration - audit fees	13,498	13,183
Auditor's remuneration - non-audit fees	1,613	1,401
Depreciation - owned assets	<u>147,147</u>	<u>42,765</u>

Auditor's remuneration - audit fees includes audit fees of £1,367 in respect of the subsidiary company (2018: £2,633).

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

	2019 12 Months £	2018 8 Months £
Salaries	2,523,928	1,628,454
Social security costs	257,757	161,562
Pension costs	90,697	59,011
Redundancy costs	17,360	17,018
	<u>2,889,742</u>	<u>1,866,045</u>

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

	2019 12 Months No.	2018 8 Months No.
£60,001 to £70,000	1	-
£70,001 to £80,000	2	-
£80,001 to £90,000	4	-
	<u>7</u>	<u>-</u>

There were no trustees' remuneration or other benefits for the year ended 31 August 2019 (2018 - £nil). During the year £nil was reimbursed to the trustees (2018 - £nil).

All redundancy costs were fully paid at the year end.

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 (Interim Director of Fundraising & Marketing 01/01/2019-31/08/2019), Director of Strategy & Business Transformation and Director of People & Culture. The total employee benefits of the key management personnel of the charity during that period were £571,699 (2018 Jan-Aug £389,967).

## 13 STAFF NUMBERS

The average number of employees analysed by activity:

	2019 12 Months No.	2018 8 Months No.
Fundraising & Marketing	40	38
Wishgranting & Volunteering	28	29
Administration	9	11
	<u>77</u>	<u>78</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)

	Leasehold Property Improvements	Office Equipment	Computer Equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 September 2018	283,274	3,966	169,110	456,350
Additions	12,802	2,605	468,557	483,964
<b>At 31 August 2019</b>	<b>296,076</b>	<b>6,571</b>	<b>637,667</b>	<b>940,314</b>
<b>Accumulated depreciation</b>				
At 1 September 2018	9,257	2,733	29,455	41,445
Depreciation charge for year	28,494	1,100	117,553	147,147
<b>At 31 August 2019</b>	<b>37,751</b>	<b>3,833</b>	<b>147,008</b>	<b>188,592</b>
<b>Net book value</b>				
At 31 August 2019	258,325	2,738	490,659	751,722
At 31 August 2018	274,017	1,233	139,655	414,905

**16 FIXED ASSET INVESTMENTS**

	2019 12 Months £	2018 8 Months £
<b>Group and Charity</b>		
<b>Market Value</b>		
At 1 January	4,024,690	2,669,047
Additions at cost	245,352	5,628,584
Disposal proceeds	(342,771)	(4,304,854)
Realised gain/(loss) on investments	10,600	(146,327)
Unrealised gain on investments	199,702	178,240
	<u>4,137,573</u>	<u>4,024,690</u>
<b>At 31 August</b>		
<b>Historical cost</b>		
At 31 August	<u>4,056,857</u>	<u>4,010,405</u>
<b>Charity only</b>		
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.

	2019 12 Months £	2018 8 Months £
<b>Make-A-Wish Promotions Limited (Company No. 04015443)</b>		
<b>Summary Profit and Loss Account</b>		
Turnover	869,083	116,643
Cost of sales	(15,906)	(2,697)
<b>Total gross profit</b>	<b>853,177</b>	<b>113,946</b>
Administrative expenses	(3,453)	(28,958)
Gifted (paid) to other charity	-	(2,545)
<b>Operating profit for the year</b>	<b>849,724</b>	<b>82,443</b>
Gift Aid payment to parent company	(847,443)	-
<b>Retained profit for the year</b>	<b>2,281</b>	<b>82,443</b>
	<b>2019 £</b>	<b>2018 £</b>
The assets and liabilities:		
Current assets	96,047	151,229
Current liabilities	(11,322)	(68,785)
<b>Total net assets</b>	<b>84,725</b>	<b>82,444</b>
<b>Aggregate share capital and reserves</b>	<b>1</b>	<b>1</b>

## 18 STOCKS

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Finished goods	34,471	27,926	31,107	19,778

## 19 DEBTORS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	261,236	133,083	232,187	83,638
Prepayments and accrued income	1,716,966	1,757,924	1,697,758	1,729,829
Amounts owed by group undertakings	-	-	-	44,606
	<u>1,978,202</u>	<u>1,891,007</u>	<u>1,929,945</u>	<u>1,858,073</u>

## 20 CREDITORS: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	498,380	481,707	498,380	472,210
Social security and other taxes	73,083	73,951	65,203	66,024
Committed wishes	745,261	1,457,234	745,261	1,457,234
Amounts due from group undertakings	-	-	29,827	-
Other creditors and accrued expenses	431,247	277,708	427,807	270,955
Deferred income	<u>438,757</u>	<u>225,047</u>	<u>438,757</u>	<u>225,047</u>
	<u>2,186,728</u>	<u>2,515,647</u>	<u>2,205,235</u>	<u>2,491,470</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.

	Group & Charity	
	2019	2018
	£	£
Deferred income brought forward	225,047	100,846
Income released in year	(225,047)	(100,846)
Income deferred in year	<u>438,757</u>	<u>225,047</u>
Deferred income carried forward	<u>438,757</u>	<u>225,047</u>

At 31 August 2019 the committed wishes creditor represented 391 wishes at an average cost of £1,906 (2018 - 584 at an average cost of £2,495).



## 21 OPERATING LEASES

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

	Equipment		Building	
	2019 £	2018 £	2019 £	2018 £
< 1 year	1,200	4,727	134,112	134,112
2 - 5 years	-	-	447,039	536,447
> 5 years	-	-	-	134,112
	<u>1,200</u>	<u>4,727</u>	<u>581,151</u>	<u>804,671</u>

## 22 ANALYSIS OF CHARITABLE FUNDS

	Balance 1 September 2018 £	Income £	Expenditure £	Gains & Transfers £	Balance 31 August 2019 £
<b>Unrestricted funds</b>					
General fund	5,743,693	7,549,462	(8,246,210)	(126,515)	4,920,430
<b>Restricted funds</b>					
Kentown Wizard	93,008	250,000	(281,763)	-	61,245
Cash for Kids N.I	787	-	(787)	-	-
Wish funds	50,433	428,785	(434,523)	-	44,695
	<u>144,228</u>	<u>678,785</u>	<u>(717,073)</u>	<u>-</u>	<u>105,940</u>
<b>Designated funds</b>					
Fixed asset fund	414,905	-	-	336,817	751,722
	<u>414,905</u>	<u>-</u>	<u>-</u>	<u>336,817</u>	<u>751,722</u>
<b>Total funds</b>	<u>6,302,826</u>	<u>8,228,247</u>	<u>(8,963,283)</u>	<u>210,302</u>	<u>5,778,092</u>

	Balance 1 January 2018 £	Income £	Expenditure £	Gains & Transfers £	Balance 31 August 2018 £
<b>Unrestricted funds</b>					
General fund	5,838,609	5,088,618	(5,247,911)	64,377	5,743,693
<b>Restricted funds</b>					
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>
<b>Designated funds</b>					
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>
<b>Total funds</b>	<u>6,708,081</u>	<u>5,267,818</u>	<u>(5,704,986)</u>	<u>31,913</u>	<u>6,302,826</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 2019 are represented by:

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	751,722	-	751,722
Investments	-	-	4,137,573	4,137,573
Current assets	105,940	-	2,969,585	3,075,525
Current liabilities	-	-	(2,186,728)	(2,186,728)
<b>Total net assets</b>	<b>105,940</b>	<b>751,722</b>	<b>4,920,430</b>	<b>5,778,092</b>

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)
<b>Total net assets</b>	<b>144,228</b>	<b>414,905</b>	<b>5,743,693</b>	<b>6,302,826</b>

## 24 RELATED PARTY TRANSACTIONS

At the year end £29,827 was due to Make-A-Wish Promotions Limited (2018 due from - £44,606).

During the year £21,844 (2018 8 months: £29,343) was paid to Prospectus, a company owned by David Gold (a trustee). These payments were made in respect of trustee and employee recruitment.

There were no other related party transactions.

**APPENDIX 1: Consolidated Income and Expenditure Statement 12-month comparison**  
*For management information only. This does not form part of the audited accounts.*

	2019 £	2018 £
<b>INCOME FROM</b>		
Donations and legacies	4,511,388	5,517,392
Charitable activities	24,817	24,387
Other trading activities	3,680,462	5,762,713
Investment income	11,580	85,137
Other income	-	700,117
<b>Total</b>	<b>8,228,247</b>	<b>12,089,746</b>
<b>EXPENDITURE ON</b>		
Raising funds	3,671,747	4,621,273
Charitable activities	5,291,536	5,758,344
<b>Total</b>	<b>8,963,283</b>	<b>10,379,617</b>
<b>Net (expenditure)/income before gains on investments</b>	<b>(735,036)</b>	<b>1,710,129</b>
Net gains on investments	210,302	78,280
<b>Net movement in funds</b>	<b>(524,734)</b>	<b>1,788,409</b>