

MAKE-A-WISH FOUNDATION® UK
(Company Limited by Guarantee)
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Charity Registration Number (England and Wales): 295672

Charity Registration Number (Scotland): SC037479

Company Number: 2031836

**MAKE-A-WISH FOUNDATION UK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011**

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MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2011

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 2011. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

2031836 (England and Wales)

Registered Charity Numbers

295672 (England and Wales)
SC037479 (Scotland)

Registered office

329 - 331 London Road
Camberley
Surrey
GU15 3HQ

Trustees

D Maloney	Chairman		
A C Buxton			
M L D Cash			
P Carte		Appointed	21 February 2011
J Hinds		Resigned	19 December 2011
P Jacobs		Retired	19 December 2011
M Jones			
J Orriss		Appointed	20 July 2011
T Seidenstein	Resigned	19 December 2011	
G Stapleton	Appointed	20 July 2011	
D G Stedman	Retired	19 December 2011	
J A Watson			
S Gent	Appointed	20 February 2012	
T Cook	Appointed	20 February 2012	

Senior Management Team

Neil Jones	Chief Executive	
Fiona Brydon	Head of PR and Celebrities	
Emma Cronin	Head of Volunteering	
Karen England		Director of Fundraising
Lynne Mackintosh	Director of Finance	
Joanne Micklewright	Head of Wishgranting	

Company Secretary

N P Jones

Auditors

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2011

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Solicitors

Penningtons
Highfield
Brighton Road
Godalming
Surrey GU7 1NS

Principal Bankers

During 2011 National Westminster Bank Plc were appointed as principal bankers. Transition from Lloyds TSB Plc to National Westminster Bank Plc was on-going as at the 31 December 2011.

Lloyds TSB Plc
1st Floor
Navigation House
Walnut Tree Close
Guildford
Surrey GU1 4TR

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

MAKE-A-WISH FOUNDATION UK
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was incorporated on 26th June 1986. 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 4 and maximum of 12 Trustees and where there is a requirement for new Trustees these would be identified 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 and the history and philosophical approach of the Charity.

Organisational structure

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 Committee and wishes formally considered by the Wishgranting Committee, both sub-committees of the Trustees.

The Head Office is in Camberley, Surrey and there are two regional fundraising offices in Belfast and Edinburgh.

Make-A-Wish Foundation UK has a wholly-owned subsidiary, Make-A-Wish Promotions Limited which, in effect, is the trading division of the Foundation. 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: a Make-A-Wish Foundation now exists in thirty six 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

Mr Stedman is an employed consultant at Pennington's solicitors and Mr Cash is a partner at the same firm. The Charity used the legal services of this firm during the year: these transactions are performed on an arm's length basis. Mr Malcolm Jones is employed at Barclays Wealth a division Barclays. The Charity started to use Barclays Wealth for deposit and investment services in 2011: again, these transactions are conducted on an arm's length basis.

Risk management

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. This is done regularly on an informal basis.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Make-A-Wish Foundation UK is a wishgranting Charity that aims to grant magical wishes to children and young people fighting life-threatening conditions. To do this, we carry out a programme of fundraising activities, the aim of which is to generate enough funds to meet current demand and maintain appropriate cash reserves, to ensure that we can grant a wish to every eligible child who is referred to the organisation in the foreseeable future. By the end of 2011, we had granted nearly 7,400 wishes over more than twenty five years.

Public benefit

The Trustees confirm that that they have complied with the duty in section 4 of the Charities Act 2006 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. We are driven by our children's wishes and the needs and concerns of them and their families. Whether a wish is to be a princess or a policeman for a day, own the latest computer equipment, meet a favourite celebrity or just enjoy some special time away from home with their family, a wish-come-true brings so much to

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a child's life and provides memories for the family that last a lifetime: it can even provide a turning point in a child's recovery. Our wishes are available to any child or young person, aged 3-17, living in the UK, diagnosed as having a life-threatening illness and who has not previously received a wish from another wishgranting organisation.

Significant activities

We recorded an increase of 35% in the wishes granted during the year and, at the same time, grew our income by 13%. With many charities struggling to make progress in a testing and uncertain economic climate, this represents a pleasing performance. The relatively modest deficit recorded during the year is less than had originally been budgeted and should be viewed in the context of a surplus being recorded during each of the previous four years: this means that we are well-placed to achieve our long-stated desire to reach 1,000 wishes in 2012 and, ultimately, to achieve our vision that every child in the UK living with a life-threatening condition are able to experience a Make-A-Wish wish.

<u>Year</u>	<u>Number of Wishes</u>	<u>Income</u>
2006	373	£2,930,836
2007	424	£4,162,787
2008	515	£5,018,993
2009	576	£5,219,777
2010	663	£5,513,419
2011	898	£6,216,946

Volunteers and supporters

In all of our activities, we are given great assistance by the efforts of 500 volunteers, without whom we would only be able to do a fraction of what we do.

We have also been particularly fortunate in the substantial financial support provided by our major corporate supporters, including Cadbury, Fairy, NFU Mutual, Clothes Aid and British Gas. Likewise, the committees which organise our Winter and Valentine's Balls are responsible for the biggest single fundraising events in the Make-A-Wish calendar. 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 gratitude.

MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2011

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In 2011, Make-A-Wish's income increased from £5,513,419 to £6,216,946. The Charity invested £1,452,407 in raising this income, resulting in a balance of £4,764,539 available to be spent in furtherance of the Charity's objectives. During the year £4,984,528 was spent on these charitable activities and the resulting deficit was taken from the Charity's reserves. Including this deficit, over the course of the year, 78 pence of every pound spent by the Charity was on charitable activities.

In 2011, we were able to increase significantly the number of wishes we grant, thanks to our earlier investments in wishgranting capacity and in the streamlining of wishgranting processes. This increase represents the biggest step forward the organisation has ever made in reaching its vision that every seriously ill child should be able to have a Make-A-Wish wish. The investment, together with our greater financial stability, had enabled us to promote ourselves more confidently to the various sources of wish referrals across the country, over the last two years. Furthermore, our recent investment in the improved management of our volunteers is beginning to reap significant rewards: faster processing; increased skills levels; better communications; and in Wishnet, our extranet for volunteers, we believe we have made a major step forward in the way that charities can work with volunteers.

Although we approved the wish of every eligible child referred to us during the year, scheduling difficulties and limitations on availability meant that not all were actually granted during the period. Having set a target for 2011 of some 950 wishes, we granted 898 in the year but actually worked on 1614 wishes during the course of the year (including 68 wishes which sadly had to be cancelled before they could be granted and 172 new requests for children visiting the UK from sister organisations overseas). This represents an increase in activity of 51% from 2010, when we worked on 1,070 wishes.

Whilst every effort is made to ensure that each wish is individually magical and personal to the child, the organisation of those wishes needs to be as effective and business-like as possible. As ever, there was an extraordinary range and variety in the wishes our children requested, with wishes revolving around holidays, particularly those involving Disney, or owning IT equipment being the most popular. With year-on-year referrals increasing and an estimated overall figure of 20,000 children in the UK living with a life-threatening illness, we believe we will continue to see the demand for our magical wishes increase.

2011 also saw Make-A-Wish reaching its 25th Anniversary and to mark the event, we set a new Guinness World Record for the world's biggest *Pass the Parcel*, which took in many of the hospitals and hospices with which we work and which also created significant publicity for our work.

MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2011

FINANCIAL REVIEW

Reserves policy

At the balance sheet date, the total reserves were £4,169,352, all of which are for unrestricted purposes. 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 2011, this amounted to 528 wishes totalling £1,694,174 (2010: 387 wishes, £1,448,827).

Extending this principle further means that we have an Applications Fund and a Support Fund, to ensure that we are able to meet our commitments to those children who have been referred to the Charity but who have not yet reached the stage of having a wish approved: we never want to be in a position where we are unable to meet the expectations of children who turn to Make-A-Wish, due to lack of funding. Consistent with previous years, the Trustees also have a Fixed Assets Fund (including the Charity's operational headquarters in Camberley) and have transferred the funds tied up in the Charity's fixed assets to this designated reserve. Taken together, these measures mean that the balance which is classified as general reserves at 31 December 2011 was £1,252,944 (2010 £1,319,882).

	2011	2010
Application Fund	823,500	1,027,395
Support Fund	1,562,379	1,513,064
Asset Fund	530,529	529,000
General Reserves	1,252,944	1,319,882
Total Reserves	4,169,352	4,389,341

The general reserves are required by the Charity to meet its objectives of granting further wishes and to provide working capital to enable it to progress to completion 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. The Trustees constantly examine the needs, risks, challenges and prospects faced by the Charity and consider that these reserves are commensurate with the Foundation's needs for the foreseeable future.

Principal funding sources

Make-A-Wish has a broad funding base, attracting support from a wide range of sources, including fundraising events, commercial arrangements, corporate supporters (large and small) and individual donors (giving on either an ad hoc basis or in a more regular, committed way). The Trustees recognise the importance of developing and maintaining a variety of sources of revenue, thus providing continued stability of income in the future. In 2012 we are likely to make a significant investment in developing further our income from individual donors, recognising that this is an area in which we are currently underperforming.

FUTURE DEVELOPMENTS

2012 and beyond

Last year, we made the biggest step forward in our history, in terms of the wishes we grant, and we are hopeful that we will reach our long-standing goal of granting 1,000 wishes in 2012. Although the increase in new referrals may start to level off after the Olympics, we are planning to increase wishes granted by 14%, to 1,027. London 2012 will be a focus for many of our efforts next year, with an estimated 300 wish children and family members likely to be in London over that period: indeed, it is the biggest single organisational challenge that Make-A-Wish has ever faced in its 30 year international history.

Although we are aiming to increase total income for 2012 by 9%, to £6.77 million, and will continue to manage individual wish budgets judiciously, it is likely that we will still record a modest deficit for the year of as much as £200,000 (equivalent to less than 5% of our cash reserves). We believe that our current financial stability and strong planning skills justify this ambitious approach.

As ever, the Trustees are committed to their vision that every child living in the UK with a life-threatening illness deserves to have their magical Make-A-Wish granted. In this context, we believe that the opportunities for Make-A-Wish remain both challenging and exciting beyond 2012: later this year, we will examine ways in which we can bring further resources to the organisation, so that we can realise even greater ambitions in terms of the number of wishes we grant and, crucially, we can continue to bring hope and excitement into the lives of the children who we serve.

MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2011

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 that 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 of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


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.

ON BEHALF OF THE BOARD:


D Maloney, Trustee
Date: 27 April 2012

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
MAKE-A-WISH FOUNDATION UK**

We have audited the financial statements of Make-A-Wish Foundation UK for the year ended 31 December 2011 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's Trustees, as a body, in accordance with 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 5 & 6, 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.

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2011 and of the group's and charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF (continued)

MAKE-A-WISH FOUNDATION UK

Matters on which we are required to report by exception

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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**

**Fairfax House
15 Fulwood Place
London
WC1V 6AY**

Date: *27 April 2012*

MAKE-A-WISH FOUNDATION UK

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT

FOR YEAR ENDED 31 DECEMBER 2011

	Notes	Unrestricted Funds £	2011 Total £	2010 Total £
INCOME AND EXPENDITURE				
INCOMING RESOURCES				
<i>Incoming resources from generated funds</i>				
Voluntary income	2	4,067,294	4,067,294	2,971,303
Activities for generating funds	3	2,058,932	2,058,932	2,516,781
Investment income	4	51,112	51,112	25,335
Total incoming resources		<u>6,177,338</u>	<u>6,177,338</u>	<u>5,513,419</u>
RESOURCES EXPENDED				
<i>Costs of generating funds</i>				
Costs of generating voluntary income	5	1,449,587	1,449,587	1,582,759
<i>Charitable Activities</i>				
Wishgranting expenses	6	3,773,256	3,773,256	2,931,773
Wishgranting support costs		1,186,549	1,186,549	713,757
<i>Governance</i>	7	27,543	27,543	35,613
Total resources expended		<u>6,436,935</u>	<u>6,436,935</u>	<u>5,263,902</u>
Net incoming resources		(259,597)	(259,597)	249,517
Unrealised gains on investments	12	39,608	39,608	-
Net movement in funds	17	<u>(219,989)</u>	<u>(219,989)</u>	<u>249,517</u>
Total funds brought forward		<u>4,389,341</u>	<u>4,389,341</u>	<u>4,139,824</u>
Total funds carried forward		<u>£4,169,352</u>	<u>£4,169,352</u>	<u>£4,389,341</u>

All transactions are derived from continuing activities.

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

The notes on pages 12 to 21 form part of these accounts.

MAKE-A-WISH FOUNDATION UK

CHARITY AND GROUP BALANCE SHEETS

Company number 2031836

AT 31 DECEMBER 2011

	Notes	Group		Charity	
		2011 £	2010 £	2011 £	2010 £
FIXED ASSETS					
Tangible assets	11	530,529	529,000	528,896	522,568
Investments	12	1,536,411	31	1,536,412	33
		<u>2,066,940</u>	<u>529,031</u>	<u>2,065,308</u>	<u>522,601</u>
CURRENT ASSETS					
Stocks	14	40,516	20,849	40,516	20,849
Debtors	15	1,096,492	796,946	1,268,571	932,457
Cash at bank and in hand		3,112,050	4,861,880	2,914,076	4,665,220
		<u>4,249,058</u>	<u>5,679,675</u>	<u>4,223,163</u>	<u>5,618,526</u>
CREDITORS: amounts falling due within one year	16	<u>(2,146,646)</u>	<u>(1,819,365)</u>	<u>(2,119,119)</u>	<u>(1,751,786)</u>
NET CURRENT ASSETS		<u>£2,102,412</u>	<u>£3,860,310</u>	<u>£2,104,044</u>	<u>£3,866,740</u>
NET ASSETS		<u>£4,169,352</u>	<u>£4,389,341</u>	<u>£4,169,352</u>	<u>£4,389,341</u>
FUNDS					
Unrestricted funds					
General funds		1,252,944	1,319,882	1,252,944	1,319,882
<i>Designated funds</i>					
Fixed asset fund		530,529	529,000	530,529	529,000
Support fund		1,562,379	1,513,064	1,562,379	1,513,064
Applications fund		823,500	1,027,395	823,500	1,027,395
TOTAL FUNDS	18	<u>£4,169,352</u>	<u>£4,389,341</u>	<u>£4,169,352</u>	<u>£4,389,341</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 27 April 2012 and were signed below on its behalf by:

.....
Trustee – David Maloney

The notes on pages 12 to 21 form part of these accounts.

MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The group financial statements consolidate the financial statements of the parent company and its subsidiary undertakings for the year ended 31 December 2011.

In the charitable company's financial statements, investments in subsidiary undertakings are stated at cost.

Charitable company Statement of Financial Activities

A separate Statement of Financial Activities, dealing with the results of the charitable company, has not been presented as permitted by Section 408 of the Companies Act 2006. A deficit of income over expenditure for the year of £219,989 (2010 surplus: £249,517) has been dealt with in the financial statements of the charitable company.

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities issued in March 2005 and any subsequent amendments or variation to this statement.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable group.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary income

Income is accounted for on a cash received basis. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Activities for 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.

Investment income

Investment income reflects the amount receivable for the year.

Subsidiary's income

Sponsorship and royalty income represents net invoiced sales of services, excluding value added tax. The sponsorship income is included in the profit and loss account as it is earned.

Resources expended

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.

Cost of generating funds

These costs reflect costs of staff members who are engaged directly in fund raising, and also include the cost of publicity campaigns to generate income, and an appropriated proportion of their use of shared facilities and central services.

MAKE-A-WISH FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

Cost of generating funds continued

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 costs and an appropriate proportion of their use of shared facilities and central services.

Charitable activities

Liabilities for wishgranting expenses are recognised as resources expended as soon as there is a specific commitment creating an obligation and an expectation that a wish will be fulfilled.

Gifts in kind

The Foundation receives the benefit of work carried out by volunteers, the value of which is not included in these accounts. Gifts of a tangible nature are included at their estimated cost.

Gifts for wishes

Gifts donated for wishes are included at their estimated cost. However, the value of time given freely by celebrities in connection with the granting of wishes is not quantifiable and therefore not included in the accounts.

Committed wishes

Wishes that have been committed to at the year end are included in the accounts as a creditor due within one year and are expensed to the Statement of Financial Activities.

Leases

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

Cost of administration

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

Governance costs

Governance costs 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.

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

Tangible fixed assets bought by the company have been capitalised at cost. Assets donated during the year have been capitalised at their estimated purchase cost.

Freehold properties are stated at valuation. Valuations are carried out periodically by external valuers on the basis of existing use value as required by FRS 15 Tangible Fixed Assets.

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.

MAKE-A-WISH FOUNDATION UK**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2011****1. ACCOUNTING POLICIES (continued)****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 Board of Trustees.

Restricted funds are those whose purpose has been restricted by the donor.

Further explanation of the nature and purpose of the each fund is included in the notes to the financial statements.

Pensions

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

2. VOLUNTARY INCOME

	2011 £	2010 £
Donations	3,713,406	2,603,179
Legacies	353,888	368,124
	<u>£4,067,294</u>	<u>£2,971,303</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2011 £	2010 £
Fundraising events	1,412,142	1,921,425
Shop income	33,889	32,158
Subsidiary's income	612,901	563,198
	<u>£2,058,932</u>	<u>£2,516,781</u>

4. INVESTMENT INCOME

	2011 £	2010 £
Dividends	14,113	
Deposit account interest	36,999	25,335
	<u>£51,112</u>	<u>£25,335</u>

MAKE-A-WISH FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2011

5. COSTS OF GENERATING VOLUNTARY INCOME	2011 Total £	2010 Total £
Staff and related costs	638,840	581,047
Telephone	3,212	5,069
Postage and stationery	30,612	43,141
Fundraising costs	388,160	524,771
Advertising	9,811	8,411
Subscriptions	2,548	1,015
Agency & professional fees	88,873	131,700
Staffing costs	38,874	46,059
Travelling	14,964	19,996
Sundry expenses	1,207	1,056
Website costs	3,375	32,362
Equipment	20,009	30,750
Merchandise	22,417	25,117
Payroll giving	55,845	47,462
Subsidiary's expenses	4,663	4,980
Office costs	126,177	79,823
	<u>£1,449,587</u>	<u>£1,582,759</u>

6. CHARITABLE ACTIVITIES COSTS	2011 Total £	2010 Total £
Group and Charity		
Wishgranting expenses		
Travel	1,092,856	680,284
Accommodation	975,710	647,206
Spending allowance and direct costs	63,027	43,239
Insurance	145,410	100,724
Wish items and sundries	1,496,253	1,460,320
Donation	-	-
	<u>£3,773,256</u>	<u>£2,931,773</u>

	Staff and related costs £	Other direct costs £	2011 Total £	2010 Total £
Wishgranting support costs				
International registration fee	-	69,439	69,439	76,288
Administration costs	-	26,570	26,570	74,915
Finance	-	6,520	6,520	2,498
Office costs	773,693	310,327	1,084,020	560,056
Legal and professional fees	-	-	-	-
	<u>£773,693</u>	<u>£412,856</u>	<u>£1,186,549</u>	<u>£713,757</u>

MAKE-A-WISH FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2011

7. GOVERNANCE	2011	2010
	£	£
Trustees' expenses	1,046	1,160
Accountancy fees	1,560	4,453
Auditors' remuneration	14,670	9,945
Legal & professional fees	10,267	20,055
	<u>£27,543</u>	<u>£35,613</u>

8. NET INCOMING RESOURCES	2011	2010
	£	£
Net incoming resources are stated after charging:		
Auditors' remuneration	£14,670	£9,945
Depreciation – owned assets	<u>£58,267</u>	<u>£46,895</u>

9. TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

There were no Trustees' remuneration or other benefits for the year ended 31 December 2011 nor for the year ended 31 December 2010.

During the year £1,046 was reimbursed to two Trustees for mileage and telephone costs (2010: £1,160 – three Trustees), the majority of these costs were associated with volunteering services to support wishgranting.

10. STAFF COSTS	2011	2010
	£	£
Salaries	1,177,352	968,099
Social security costs	116,821	91,355
Pension costs	60,488	47,939
	<u>£1,354,661</u>	<u>£1,107,393</u>

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

	2011	2010
	Number	Number
£60,001 to £70,000	2	1
£70,001 to £80,000	<u>1</u>	<u>1</u>

The average number of employees, in terms of full time equivalents, and analysed by activity

	2011	2010
	Number	Number
Wishgranting and PR	16.5	12
Administration	7.4	8
Fundraising	13.8	14
Volunteer management	3.7	3.5
	<u>41.4</u>	<u>37.5</u>

MAKE-A-WISH FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2011

11. TANGIBLE FIXED ASSETS	Freehold Property £	Improvement To Property £	Office Equipment £	Computer Equipment £	Total £
Group					
Cost or valuation					
At 1 January 2011	470,000	40,641	76,203	121,064	707,908
Additions	-	17,485	11,561	30,809	59,855
At 31 December 2011	<u>470,000</u>	<u>58,126</u>	<u>87,764</u>	<u>151,873</u>	<u>767,763</u>
Accumulated depreciation					
At 1 January 2011	9,400	31,502	64,355	73,651	178,908
Depreciation charge for year	9,400	13,232	11,448	24,246	58,326
At 31 December 2011	<u>18,800</u>	<u>44,734</u>	<u>75,803</u>	<u>97,897</u>	<u>237,234</u>
Net book value					
At 31 December 2011	<u>£451,200</u>	<u>£13,392</u>	<u>£11,961</u>	<u>£53,976</u>	<u>£530,529</u>
At 31 December 2010	<u>£460,600</u>	<u>£9,139</u>	<u>£11,848</u>	<u>£47,413</u>	<u>£529,000</u>
Charity					
Cost or valuation					
At 1 January 2011	470,000	40,641	61,804	121,064	693,509
Additions	-	17,485	11,561	30,809	59,855
At 31 December 2011	<u>470,000</u>	<u>58,126</u>	<u>73,365</u>	<u>151,873</u>	<u>753,364</u>
Accumulated depreciation					
At 1 January 2011	9,400	31,502	56,388	73,651	170,941
Depreciation charge for year	9,400	13,232	6,649	24,246	53,527
At 31 December 2011	<u>18,800</u>	<u>44,734</u>	<u>63,037</u>	<u>97,897</u>	<u>224,468</u>
Net book value					
At 31 December 2011	<u>£451,200</u>	<u>£13,392</u>	<u>£10,328</u>	<u>£53,976</u>	<u>£528,896</u>
At 31 December 2010	<u>£460,600</u>	<u>£9,139</u>	<u>£5,416</u>	<u>£47,413</u>	<u>£522,568</u>

Land and buildings were revalued on 18 December 2010 by London Clancy Chartered Surveyors on existing use basis by James Gibb BSc MRICS IRRV.

MAKE-A-WISH FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2011

12	FIXED ASSET INVESTMENTS	Total £
	Group and Charity	
	Market Value	
	At 1 January 2011	31
	Additions	1,496,772
	Unrealised gain	39,608
	At 31 December 2011	<u>£1,536,411</u>
	Historical cost	
	At 31 December 2011	<u>£1,496,803</u>
	Charity only	
	Shares in group subsidiary	<u>1</u>

Individual investments which represent over 5% of the portfolio market value are as follows:

Barclays corporate bonds	£488,166
Barclays global government bonds	£517,726
Barclays inflation link bonds	<u>£530,488</u>

In 2011, in line with the Charity's treasury management strategy, the Trustees took the decision to protect the value of a significant amount of the reserves by investing in a relatively liquid portfolio which is managed by Barclays Wealth a division of Barclays.

13. 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.

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.

Make-A-Wish Promotions Limited	2011 £	2010 £
Summary Profit and Loss		
Account		
Royalties	253,315	293,035
Donations and sponsorship	359,586	270,163
Cost of sales	(800)	-
Total gross profit	<u>612,101</u>	<u>563,198</u>
Administrative expenses	(7,181)	(17,140)
Operating profit for the year	<u>604,920</u>	<u>546,058</u>
Gift Aid payment to parent company	(604,920)	(546,058)
Tax	-	-
Retained profit for the year	<u>£-</u>	<u>£-</u>

MAKE-A-WISH FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2011

13. RESULTS FROM TRADING ACTIVITIES OF SUBSIDIARIES (continued)

The assets and liabilities:		
Fixed assets	1,633	6,432
Current assets	446,097	471,926
Current liabilities	(447,729)	(478,357)
Total net assets	<u>£1</u>	<u>£1</u>
Aggregate share capital and reserves	<u>£1</u>	<u>£1</u>

14. STOCKS

	Group and Charity	
	2011	2010
	£	£
Finished goods	<u>£40,516</u>	<u>£20,849</u>

15. DEBTORS

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	238,843	266,129	121,385	140,109
Prepayments and accrued income	857,649	530,817	726,983	381,571
Amounts owed by group undertakings	-	-	420,203	410,777
	<u>£1,096,492</u>	<u>£796,946</u>	<u>£1,268,571</u>	<u>£932,457</u>

16. CREDITORS: amounts falling due within one year

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	207,460	132,143	206,740	121,956
Social security and other taxes	92,493	68,011	68,197	26,517
Committed wishes	1,694,174	1,448,827	1,694,174	1,448,827
Accrued expenses	152,519	170,384	150,008	154,486
	<u>2,146,646</u>	<u>£1,819,365</u>	<u>£2,119,119</u>	<u>£1,751,786</u>

At 31 December 2011 the committed wishes creditor represented 528 wishes at an average remaining cost of £3,209 (2010: 387 at an average cost of £3,744).

MAKE-A-WISH FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2011

17. MOVEMENT IN FUNDS	Balance 1 January 2011 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 December 2011 £
Unrestricted funds					
General fund	1,319,882	6,216,946	(6,436,935)	153,051	1,252,944
Designated funds					
Fixed Asset fund	529,000	-	-	1,529	530,529
Support fund	1,513,064	-	-	49,315	1,562,379
Applications fund	1,027,395	-	-	(203,895)	823,500
Total Designated	3,069,459	-	-	(153,051)	2,916,408
Total funds	<u>£4,389,341</u>	<u>£6,216,946</u>	<u>(£6,436,935)</u>	<u>£-</u>	<u>£4,169,352</u>

The Fixed Asset Fund reflects the net book value of assets not available for immediate conversion to cash.

Applications Fund - To provide a reserve for applications received based on the conversion to wishes percentage at the average cost of wishes in progress at the end of that financial year.

Support Fund - To reflect the cost of carrying out those wishes and applications in progress over one year.

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Designated Funds £	Unrestricted Funds £	Total Funds £
Fund balances at 31 December 2011 are represented by			
Tangible fixed assets	530,529	-	530,529
Investments	-	1,536,411	1,536,411
Current assets	4,080,053	169,005	4,249,058
Current liabilities	(1,694,174)	(452,472)	(2,146,646)
Total net assets	<u>£2,916,408</u>	<u>£1,252,944</u>	<u>£4,169,352</u>

MAKE-A-WISH FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2011

19. RELATED PARTY DISCLOSURES

At the year end £420,203 was due from Make-A-Wish Promotions Limited (2010: £410,777).

During the year the Charity also made payments to Penningtons Solicitors of £19,729 (2010: £12,955) in respect of legal services, a firm in which Mr Stedman was an employee in the year under review. Mr Cash is a partner at the same firm. £Nil was outstanding at the year end (2010: £nil). Payments were also made to Barclays Bank of £2,289 (2010: Nil) in respect of investment portfolio management fees, Mr Malcolm Jones was an employee of Barclays Bank Plc in the year under review. £Nil was outstanding at the year end (2010: £NIL).

20. COMPANY LIMITED BY GUARANTEE

The company does not have share capital and it is limited by guarantee. In the event of the company being wound up, the maximum amount each member is liable to contribute is £1. There were 9 guarantor members at the balance sheet dated 31 December 2011 (2010: 9).