

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

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015**

CONTENTS	PAGE
REPORT OF THE TRUSTEES	1
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MAKE-A-WISH FOUNDATION UK	12
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT	14
CHARITY AND GROUP BALANCE SHEETS	15
GROUP CASH FLOW STATEMENT	16
NOTES TO THE FINANCIAL STATEMENTS	17

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

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 2015. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities'.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number
2031836 (England and Wales)

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

Principal & Registered Office
329 - 331 London Road
Camberley
Surrey
GU15 3HQ

Trustees

David Maloney	Chairman – retired 23 February 2015
Per Harkjaer	Chairman – appointed 23 February 2015
Pippa Carte	
Ian Lathey	Resigned 28 July 2015
Jim Cook	
Tim Cooke	
Susan Gent	
Zafar Khan	
David Hockley	
John Orriss	
Graham Stapleton	

Key Personnel and Senior Management Team

Jason Suckley	Chief Executive
Fiona Brydon	Head of Communications
Lynne Mackintosh	Director of Finance
Joanne Micklewright	Director of Wishgranting
Nicky Bishop	Interim Director of Fundraising
Aileen Feeney	Interim Director of Operations

Company Secretary & Director of Finance

LP Mackintosh Appointed 27 March 2015

Company Secretary & Chief Executive

NP Jones Resigned 27 March 2015

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

Auditors

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Solicitors

Penningtons
Highfield
Brighton Road
Godalming
Surrey GU7 1NS

Principal Bankers

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

Investment Managers

Barclays Wealth
1 Churchill Place
Canary Wharf
London
E14 5HP

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

CHAIRMAN'S STATEMENT

In April 2015, Make-A-Wish UK started the process of reviewing the mission, strategy and plans of the organisation. Trustees, staff and volunteers have all been involved in the process which will be completed when the 3 year plan is signed off in December.

The process has involved an amendment to the mission statement, the establishment of strategic goals and the development of plans to realise these goals.

The Make-A-Wish UK mission statement was amended from:

'We exist for one reason -- to grant magical wishes to children and young people fighting life-threatening conditions'.

.to

"We grant magical wishes to enrich the lives of children and young people fighting life-threatening conditions".

The amendment underlines the importance of ensuring that our wishes have a lasting impact on the lives of children, young people and their families.

We then established 4 strategic goals, the achievement of which is central to the realisation of our mission. These goals are:

- 1) Every wish makes more of a difference to the child and their family
- 2) We grant a wish to every eligible child
- 3) More people believing that every child deserves a wish
- 4) Accelerated, sustainable, diversified income growth

These goals reflect our ambition to both reach more children and to make more of an impact through every wish. In order to meet the challenge of maximising wish impact whilst increasing the number of wishes granted, we plan to implement a new wish journey whilst significantly increasing efficiency across stages of the wish process.

Whilst many people know that we grant wishes, public and professional understanding of why we do what we do and the potential impact of wishes is low. We will change this by improving public and professional understanding of the impact of a wish. Central to this will be sharing the stories of wish families alongside establishing a more robust evidence base of research. This will strengthen the credibility and relevancy of what we do and enable the brand to be more effective in helping us to develop stronger, longer lasting relationships with a variety of stakeholders



P Harkjaer
Chairman

Date: 4 April 2016

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 four and maximum of fifteen Trustees and where there is a requirement for new Trustees, these would be recruited and appointed by the Chairman and existing Trustees. The Chairman and Chief Executive are responsible for the induction of any new Trustees, which involves awareness of a Trustee's responsibilities, the history and philosophical approach of the charity, and meetings with senior staff members.

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

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.

The Head Office is in Camberley, Surrey, where the great majority of employees are based: in addition, there are half a dozen home-based regional fundraising managers working remotely.

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

Make-A-Wish Foundation International

Make-A-Wish Foundation UK is affiliated to Make-A-Wish Foundation International and, as such, is a member of the largest wishgranting network in the world: Make-A-Wish Foundations now cover nearly 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

OBJECTIVES AND ACTIVITIES

Objectives and Aims

Make-A-Wish Foundation UK is a wishgranting charity that grants magical wishes to enrich the lives of children and young people fighting life-threatening conditions. To enable us to grant as many magical wishes as possible and to deliver the one true wish of each child, 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 cover future foreseeable needs. Since we were established in 1986, we have granted 10,130 wishes to UK children. We've hosted a further 1,252 children, from sister organisations across the world, whose wishes involved a visit to the UK.

Public Benefit

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

We are driven by our children's wishes and the needs and concerns of them and their families – hence in almost all cases, we meet the child and family in their home environment, to best establish the child's true wish. Whether that wish is to be a princess or a policeman for a day, own the latest computer equipment, meet a favourite celebrity or just enjoy a special holiday with their family, a wish-come-true brings so much to 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. The positive effects of a wish often go further than the wish child and their family – it can impact the child's neighbours and school, members of the local community, celebrities and even the employees of suppliers involved with granting the wish.

We undertake post-wish research on an ongoing basis with our families, to determine the impact of a wish and quality of service. The results confirm the transformational effects that one of our wishes can have on the physical, emotional and psychological well-being of a seriously ill child and the high quality of delivery Make-A-Wish provides.

Significant Activities

The number of wishes we granted during the year fell slightly by 1.9%, to 855, whilst our total income increased by 33.5%, to £9,934,740, and we feel much more confident about our number of wishes returning to a steady and significant growth due to the 40% increase in referrals in the last quarter of the year. The income performance was extremely encouraging and represents the tenth successive year in which voluntary and total income figures have increased. This is particularly pleasing in the context of continuing uncertainty in the wider economic climate. The higher-than-expected surplus, resulting from our partnership with ITV, will provide the basis for investment in reaching our goals, investing in impact and reach.

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

<u>Year</u>	<u>Referrals</u>	<u>Number of Wishes</u>	<u>Number of Wish Assists</u>	<u>Total income</u>
2008	862	444	72	£5,018,993
2009	838	484	93	£5,219,777
2010	1103	584	79	£5,513,419
2011	1294	819	79	£6,177,338
2012	1343	916	128	£6,294,834
2013	1415	893	104	£6,400,442
2014	1180	872	119	£7,439,474
2015	1646	855	131	£9,934,741

Volunteers and Supporters

In all of our activities, we are given great assistance by the efforts of 750 registered volunteers, an increase of 250 (50%) on 2014, and countless active supporters, without whom we would only be able to do a fraction of what we do. Our volunteers are often seen as the public face of the charity: raising money, attending events and making presentations on our behalf. But most important of all, it is our volunteers who visit almost all of our wish children and their families – at all times of the day, in all seasons and across every part of the UK – to understand a little more about the child and establish what their true wish really is.

We have also been fortunate in the substantial financial support provided by ITV “Text Santa” and major corporate supporters, including Fairy, Angel Springs and Next. 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: the energy and commitment of those committee members is exemplary. In addition to these balls a new committee was established and the Sports Dinner was launched in 2015. 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.

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

In 2015, Make-A-Wish's total income increased by 33.5%, £9,934,740. We invested £2,943,429 in raising this income, resulting in a balance of £6,991,311 available to be spent in furtherance of our objectives. During the year £5,076,982 was actually spent on these charitable activities and the resulting surplus was added to the charity's reserves. Over the course of the year 63 pence of every pound spent by the charity was on charitable activities, compared to 69 pence in the previous year: this lower figure reflects both our significant investment to fund our planned growth in wishes granted and further investment in fundraising capacity. We aim to increase our wishes granted to 2000 in 2018. We have a cumulative surplus in 2015 to support our growth in wishes granted in 2016.

At the outset of the year, we had budgeted for 1400 UK children to turn to Make-A-Wish and our aim was to grant 997 wishes. We actually granted 855 wishes, a fall of 2%, with the number of wishes in progress being higher than 2014, by 19%, to 603. Over the course of the year, however, we actually worked on 2,788 wishes in total, including those where we assisted our sister organisations overseas, an increase of 19% on 2014: this figure included 46 UK wishes which sadly had to be cancelled before they could be granted.

Despite the small decline in wishes granted, we had a surge in referrals to 1645 UK children turning to us. The growth in the last quarter was as a direct result of efficiencies and use of digital with the introduction of the online referral form in September from an average of 110 referrals a month January – August, to an average of 195 a month September – December.

This growth we have seen is expected to continue for the all of 2016. We are estimating that 2000 children will turn to us for wishes and that we will grant in the region of 1350 wishes in 2016.

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

FINANCIAL REVIEW

Financial Performance

In 2015, Make-A-Wish's total income increased by 33.5%, £9,934,740. Our partnership with ITV "Text Santa" was the major contributor to this growth. The underlying growth of voluntary income excluding Donations in Kind, Text Santa and Primark in 2014 is 5.8%. The foundation achieved a surplus of £1,906,293 (2014 £1,014,872). In the last quarter of 2015 we saw an increase in demand for our wishes and the surplus generated in the last 2 years supports our planned growth for 2016. Cash resources have dropped slightly on 2014 but will increase in the first quarter of 2016, as the funds from Text Santa are received, which will help support our requirements during 2016 and any excess funds will be invested in line with our investment policy. Over the course of the year 63 pence of every pound spent by the charity was on charitable activities, compared to 69 pence in the previous year: this lower figure reflects both our significant investment to fund our planned growth in wishes granted and further investment in fundraising capacity. We aim to increase our wishes granted to 2000 in 2018. We have a cumulative surplus in 2015 to support our growth in wishes granted in 2016.

The charity's wholly owned trading subsidiary, Make-A-Wish Promotions, achieved profit of £469,542 (2014 £1,299,841). Excluding the one off partnership with Primark in 2014 a 10.5% growth was achieved. All the profit was gift aided to the Make-A-Wish Foundation UK.

Reserves Policy

In 2015 we have reviewed our reserves policy with a view ensuring it represents the charities requirements and meets with the Charity Commission's recommendations.

At the balance sheet date, the total reserves were £6,102,090, all of which can be used in line with objects of charity. 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 2015, this amounted to 602 wishes totalling £1,933,467 (2014: 507 wishes, £1,406,473).

We continue this principle further to ensure 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. In previous year's we have held an Applications Fund which represented estimated costs of applications in progress. However, in order to not duplicate funds the commitments are this year reflected in the Designated Wish Fund. The Designated Wish Fund, is for funds raised through our relationship with ITV "Text Santa", the funds required for applications in progress is £1,189,257 which leaves a balance of £2,095,375 available for granting wishes to new applicants in 2016. These funds will be used in charitable activities only. We continue to have a Support Fund to cover the direct overheads required to deliver wishes, previously this also included overheads which now form part of our general reserves. We never want to be in a position where we are unable to grant wishes to 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 classified as general reserves at 31 December 2015 was £1,732,144 (2014 £849,509).

MAKE-A-WISH FOUNDATION® UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Applications Fund	-	631,687
Support Fund	575,004	1,346,864
Asset Fund	510,310	510,863
Designated Wish Fund	3,284,632	856,874
General Reserves	1,732,144	849,509
Total Reserves	<u>6,102,090</u>	<u>4,195,797</u>

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. With that in mind the minimum general reserves will cover 6 months overheads, currently our general reserves represent 9 months of our overheads.

Going Concern

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

Principal Funding Sources

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

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. They are instructed to invest to maximise long term growth within the constraints of a low risk investment portfolio.

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

Investment performance is monitored regularly and reported quarterly to the Trustees. The portfolio is managed through active managers and index tracking investments: the revised portfolio has returned 2.3% since acquisition and before fees (1.1% after fees). This is slightly below the Barclays Wealth benchmarks. This is mainly due to government bonds exceeding expectations. The Benchmarks include government bonds whereas our portfolio doesn't have them.

