

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

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Charity Registration Number (England and Wales): 295672

Charity Registration Number (Scotland): SC037479

Company Number: 2031836

**MAKE-A-WISH FOUNDATION UK
REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012**

CONTENTS	Page
Report of the Trustees	3 - 10
Independent Auditors' Report	11 - 12
Statement of Financial Activities	13
Charity and Group Balance Sheets	14
Notes to the financial statements	15 - 24

**MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2012**

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 2012. 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	Retired 17 December 2012
P Carte	
T Cooke	Appointed 20 February 2012
S Gent	Appointed 20 February 2012
E Hill	Appointed 17 September 2012
M Jones	
I Lathey	Appointed 19 November 2012
J Orriss	
G Stapleton	
J A Watson	Retired 17 December 2012
D Hockley	Appointed 18 March 2013

Senior Management Team

Neil Jones	Chief Executive
Fiona Brydon	Head of Communications
Lynne Mackintosh	Director of Finance
Joanne Micklewright	Head of Wishgranting
Amanda Williams	Director of Fundraising

Company Secretary
N P Jones

Auditors
haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

**MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES
YEAR ENDED 31 DECEMBER 2012**

Solicitors

Penningtons
Highfield
Brighton Road
Godalming
Surrey GU7 1NS

Principal Bankers

During 2012 National Westminster Bank Plc was appointed as principal banker. The transition from Lloyds TSB Plc to National Westminster Bank Plc was on-going as at the 31 December 2012.

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
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2012**

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 15 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, 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 Committee and wishes formally ratified 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 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 Foundation now covers forty eight 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 Cash is a partner at Pennington's solicitors. 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 of Barclays. The charity started to use Barclays Wealth for deposit and investment services in 2012: 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.

**MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2012**

OBJECTIVES AND ACTIVITIES

Objectives and Aims

Make-A-Wish Foundation UK is a wishgranting charity that grants magical wishes to children and young people fighting life-threatening conditions. We believe that every seriously ill child deserves a Make-A-Wish wish. To enable us 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 meet future foreseeable needs. By the end of 2012, we had granted more than 8,400 wishes over twenty six years, of which nearly 900 have been for children from Make-A-Wish elsewhere in the world whose wish was to visit 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. 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. 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 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. In 2012, we carried out an extensive research programme examining the impact of a wish, with all the families with whom we had worked in 2011: the results confirmed the extraordinary effects that one of our wishes can have on the physical, emotional and psychological well-being of the child.

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.

Significant Activities

We recorded an increase of 16% in the wishes granted during the year and, at the same time, grew our income by a more modest 2%. However, with evidence mounting of the difficulties being faced by so many charities in the current economic environment, this represents a creditable performance. A deficit for the year was budgeted for from the outset and we believe that this action makes sensible and modest use of our reserves. To set this in a longer term context, the combined deficit recorded over the last two years amounts to less than 15% of our reserves as at the end of 2012. Taking this long-term approach to the management of our activities meant that we achieved our long-standing target of granting 1,000 wishes in a year in 2012 – an achievement of which we feel justifiably proud. This represents growth in wishes granted of more than 50% in just six years and we are enormously grateful to the countless people and organisations who have contributed to that remarkable increase.

However, much more remains for us to do and we remain as committed as ever to achieving our vision that every child in the UK living with a life-threatening condition should be 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	£6,177,338
2012	1,044	£6,294,834

**MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2012**

Volunteers and Supporters

In all of our activities, we are given great assistance by the efforts of 650 registered volunteers, and countless active supporters, 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, Clothes Aid and NFU Mutual. 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.

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

In 2012, Make-A-Wish's income increased from £6,177,338 to £6,294,834. We invested £1,775,521 in raising this income, resulting in a balance of £4,519,313 available to be spent in furtherance of our objectives. During the year £4,873,090 was spent on these charitable activities and the resulting deficit was reduced by unrealised gains on investments, with the balance taken from the charity's reserves. Over the course of the year 73 pence of every pound spent by the charity was on charitable activities. This is a lower figure than 2011 (78 pence) and reflects in part the cost of a new investment programme to recruit individual donors and a greater focus on fundraising generally, as we gear up for the expected further growth in wishes.

In 2012, we were able to increase significantly the number of wishes we grant, continuing the trend resulting from previous investments in wishgranting capacity and in the streamlining of wishgranting processes. But in a year of considerable achievement, the biggest highlight was the successful organisation of the wishes for those children, from the UK and overseas, who wanted to experience London 2012. Over the course of 19 days, 53 children and their families (212 wish participants in total) stayed in London and attended a wide range of events. Hosted by a team of 26 trained and dedicated Make-A-Wish UK volunteers, all aspects of the wishes went smoothly and the response of the wish families was overwhelmingly and amazingly positive. London 2012 was the biggest, and arguably the greatest, single wish experience Make-A-Wish has ever pulled off anywhere in the world.

At the outset of the year, our aim was to grant 1,027 wishes. In reality, we granted 1,044 wishes and actually worked on 2,380 wishes during the year, including 150 new requests for children visiting the UK from sister organisations overseas and 50 wishes which sadly had to be cancelled before they could be granted. This represents an increase in activity of 7% from 2011, when we worked on 2,232 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 condition, we believe we will continue to see the demand for our magical wishes increase. With this in mind, we also worked on a new five year strategy, to take us through to 2017, which we believe will enable us to achieve our mission with even greater effect.

**MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2012**

FINANCIAL REVIEW

Reserves Policy

At the balance sheet date, the total reserves were £3,920,297, 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 2012, this amounted to 494 wishes totalling £1,505,810 (2011: 528 wishes, £1,694,174).

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 2012 was £1,235,152 (2011 £1,252,944).

	2012 £	2011 £
Application Fund	670,132	823,500
Support Fund	1,458,112	1,562,379
Asset Fund	556,901	530,529
General Reserves	1,235,152	1,252,944
Total Reserves	<u>£3,920,297</u>	<u>£4,169,352</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. The Trustees constantly examine the needs, risks, challenges and prospects faced by the charity and consider these reserves 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: corporate supporters (large and small), individual donors (giving on either an ad hoc basis or in a more regular, committed way), fundraising events, 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. As a result, in 2012 we embarked on a long term commitment to build further our base of individual donors, recognising that this is an area in which we are underserved.

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

Investment performance is monitored regularly and reported quarterly to the Trustees.

**MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2012**

FUTURE DEVELOPMENTS

2013 and Beyond

Last year, we achieved our long-stated ambition of granting 1,000 wishes in a single year. Of the 1,044 wishes we actually granted, 918 were for UK children, with the rest coming from our sister organisations overseas. In 2013, we are aiming to grant 1,000 wishes to UK children alone and increase the total number of wishes to 1,102, a 5% growth on the previous year. After the inevitable boost given by London 2012, we are expecting the number of new referrals to remain at the same, or slightly lower, level as before. In the longer term, however, we are expecting the demand for our wishes to remain on a clear upward trajectory.

As ever, the Trustees are committed to their vision that every child living in the UK with a life-threatening condition deserves to have their magical Make-A-Wish wish granted. In this context, we have recently committed to a long term strategy of continued strong growth in both wishes and income, which is intended to increase the number of wishes we grant by 50% over the next four years and further thereafter. As the UK's leading wishgranting charity, and with our focus on delivering truly magical wishes, we believe we are uniquely placed to bring hope and excitement into the lives of seriously ill children.

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;
- 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 company will continue in operation.

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.

**MAKE-A-WISH FOUNDATION UK
REPORT OF THE TRUSTEES (continued)
YEAR ENDED 31 DECEMBER 2012**

AUDITORS

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

ON BEHALF OF THE BOARD:



D Maloney - Trustee

Date: 20 May 2013

**MAKE-A-WISH FOUNDATION UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MAKE-A-WISH
YEAR ENDED 31 DECEMBER 2012**

We have audited the financial statements of Make-A-Wish Foundation UK for the year ended 31 December 2012 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 9, 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 Report of the Trustees 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 2012 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).

**MAKE-A-WISH FOUNDATION UK
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MAKE-A-WISH
YEAR ENDED 31 DECEMBER 2012**

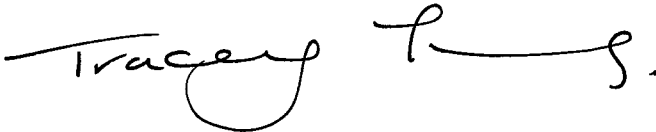
Opinion on other matter prescribed by the Companies Act 2006

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

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**

Date: *20 May 2013*

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

**MAKE-A-WISH FOUNDATION UK
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME
AND EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2012**

		Unrestricted Funds	
		2012 Total £	2011 Total £
	Notes		
INCOME AND EXPENDITURE			
INCOMING RESOURCES			
<i>Incoming resources from generated funds</i>			
Voluntary income	2	3,916,061	4,051,088
Activities for generating funds	3	2,273,532	2,058,932
Activities from charitable activities	4	16,614	16,206
Investment income	5	88,627	51,112
Total incoming resources		6,294,834	6,177,338
RESOURCES EXPENDED			
<i>Costs of generating funds</i>			
Costs of generating voluntary income	6	1,775,521	1,449,587
<i>Charitable Activities</i>			
Wishgranting expenses	7	3,730,103	3,773,256
Wishgranting support costs		1,142,987	1,186,549
<i>Governance</i>	8	11,835	27,543
Total resources expended		6,660,446	6,436,935
Net incoming resources		(365,612)	(259,597)
Unrealised gains on investments	13	116,557	39,608
Net movement in funds	19	(249,055)	(219,989)
Total funds brought forward		4,169,352	4,389,341
Total funds carried forward		£3,920,297	£4,169,352

All transactions are derived from continuing activities.

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

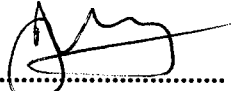
The notes on pages 15 to 24 form part of these accounts.

MAKE-A-WISH FOUNDATION UK
 CHARITY AND GROUP BALANCE SHEETS
 YEAR ENDED 31 DECEMBER 2012

Company number 2031836

	Notes	Group		Charity	
		2012 £	2011 £	2012 £	2011 £
FIXED ASSETS					
Tangible assets	12	556,901	530,529	556,901	528,896
Investments	13	1,652,968	1,536,411	1,652,969	1,536,412
		<u>2,209,869</u>	<u>2,066,940</u>	<u>2,209,870</u>	<u>2,065,308</u>
CURRENT ASSETS					
Stocks	16	33,761	40,516	33,761	40,516
Debtors	17	1,478,494	1,096,492	1,409,042	1,268,571
Cash at bank and in hand		2,362,681	3,112,050	2,359,950	2,914,076
		<u>3,874,936</u>	<u>4,249,058</u>	<u>3,802,753</u>	<u>4,223,163</u>
CREDITORS: amounts falling due within one year	18	<u>(2,164,508)</u>	<u>(2,146,646)</u>	<u>(2,092,326)</u>	<u>(2,119,119)</u>
NET CURRENT ASSETS		<u>£1,710,428</u>	<u>£2,102,412</u>	<u>£1,710,427</u>	<u>£2,104,044</u>
NET ASSETS		<u>£3,920,297</u>	<u>£4,169,352</u>	<u>£3,920,297</u>	<u>£4,169,352</u>
FUNDS					
Unrestricted funds					
General funds		1,235,152	1,252,944	1,235,152	1,252,944
<i>Designated funds</i>					
Fixed asset fund		556,901	530,529	556,901	530,529
Support fund		1,458,112	1,562,379	1,458,112	1,562,379
Applications fund		670,132	823,500	670,132	823,500
TOTAL FUNDS	20	<u>£3,920,297</u>	<u>£4,169,352</u>	<u>£3,920,297</u>	<u>£4,169,352</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 20 May 2013 and were signed below on its behalf by:



 Trustee - David Maloney

The notes on pages 15 to 24 form part of these accounts.

**MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012**

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 2012.

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 £249,055 (2011 deficit: £219,989) 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.

MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2012

Cost of Generating Funds

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

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.

MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2012

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 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	2012	2011
	£	£
Donations	3,498,160	3,697,200
Legacies	417,901	353,888
	<u>£3,916,061</u>	<u>£4,051,088</u>
3. ACTIVITIES FOR GENERATING FUNDS	2012	2011
	£	£
Fundraising events	1,747,519	1,412,142
Shop income	16,641	33,889
Subsidiary's income	509,372	612,901
	<u>£2,273,532</u>	<u>£2,058,932</u>
4. ACTIVITIES FROM CHARITABLE ACTIVITIES	2012	2011
	£	£
Fees from international affiliates	<u>16,614</u>	<u>16,206</u>

MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2012

5. INVESTMENT INCOME	2012	2011
	£	£
Dividends	29,772	14,113
Deposit account interest	58,855	36,999
	<u>£88,627</u>	<u>£51,112</u>
6. COSTS OF GENERATING VOLUNTARY INCOME	2012	2011
	Total	Total
	£	£
Fundraising costs	858,613	558,559
Agency & professional fees	4,935	37,351
Postage and stationery	40,158	30,612
Merchandise	8,879	22,417
Staff & related costs	687,594	638,840
Staffing costs	44,531	38,874
Subscriptions	8,078	2,548
Telephone	11,900	3,212
Travelling	15,074	14,964
Sundry expenses	191	1,207
Website costs	5,674	3,375
Office costs	77,598	86,994
Legal & professional	2,113	-
Finance costs	7,072	5,971
Bad debts	217	-
Subsidiary's expenses	2,894	4,663
	<u>£1,775,521</u>	<u>£1,449,587</u>

The increase in fundraising costs reflects a new investment programme to recruit individual donors and a greater focus on fundraising generally to secure future income streams.

MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2012

7. CHARITABLE ACTIVITIES COSTS			2012	2011
Group and Charity			Total	Total
			£	£
Wishgranting expenses				
Travel			1,171,238	1,092,856
Accommodation			1,586,858	975,710
Spending allowance and direct costs			59,506	63,027
Insurance			184,637	145,410
Wish items and sundries			916,228	1,250,906
Movement in provision for wishes in progress			(188,364)	245,347
			<u>£3,730,103</u>	<u>£3,773,256</u>
	Staff and	Other	2012	2011
	related costs	direct costs	Total	Total
	£	£	£	£
Wishgranting support costs				
International registration fee		80,027	80,027	69,439
Administration costs		32,237	32,237	26,570
Finance		8,089	8,089	6,520
Office costs	799,022	223,612	1,022,634	1,084,020
	<u>£799,022</u>	<u>£343,965</u>	<u>£1,142,987</u>	<u>£1,186,549</u>
			<u>£</u>	<u>£</u>
8. GOVERNANCE				
			2012	2011
			£	£
Trustees' expenses			328	1,046
Accountancy fees			1,040	1,560
Auditors' remuneration			9,740	14,670
Legal & professional fees			727	10,267
			<u>£11,835</u>	<u>£27,543</u>
			<u>£</u>	<u>£</u>
9. NET INCOMING RESOURCES				
			2012	2011
			£	£
Net incoming resources are stated after charging:				
Auditors' remuneration			£9,740	£14,670
Depreciation – owned assets			£63,596	£58,267
			<u>£</u>	<u>£</u>

MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2012

10. TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

There were no Trustees' remuneration or other benefits for the year ended 31 December 2012 nor for the year ended 31 December 2011.

During the year £328 was reimbursed to two Trustees for mileage and telephone costs (2011: £1,046 – three Trustees), the majority of these costs were associated with volunteering services to support wishgranting.

11. STAFF COSTS	2012	2011
	£	£
Salaries	1,267,790	1,177,352
Social security costs	128,302	116,821
Pension costs	70,327	60,488
	<u>£1,466,419</u>	<u>£1,354,661</u>

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

	2012	2011
	Number	Number
£60,001 to £70,000	2	2
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-
	<u> </u>	<u> </u>

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

	2012	2011
	Number	Number
Wishgranting and PR	18.0	16.5
Administration	7.8	7.4
Fundraising	14.2	13.8
Volunteer management	5.5	3.7
	<u>45.5</u>	<u>41.4</u>

MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2012

12. TANGIBLE FIXED ASSETS	Freehold Property £	Improvement To Property £	Office Equipment £	Computer Equipment £	Total £
Group					
Cost or valuation					
At 1 January 2012	470,000	58,126	87,764	151,873	767,763
Additions	-	-	3,618	86,350	89,968
At 31 December 2012	<u>470,000</u>	<u>58,126</u>	<u>91,382</u>	<u>238,223</u>	<u>857,731</u>
Accumulated depreciation					
At 1 January 2012	18,800	44,734	75,803	97,897	237,234
Depreciation charge for year	9,400	4,166	8,631	41,399	63,596
At 31 December 2012	<u>28,200</u>	<u>48,900</u>	<u>84,434</u>	<u>139,296</u>	<u>300,830</u>
Net book value					
At 31 December 2012	<u>£441,800</u>	<u>£9,226</u>	<u>£6,948</u>	<u>£98,927</u>	<u>£556,901</u>
At 31 December 2011	<u>£451,200</u>	<u>£13,392</u>	<u>£11,961</u>	<u>£53,976</u>	<u>£530,529</u>
Charity					
Cost or valuation					
At 1 January 2012	470,000	58,126	73,365	151,873	753,364
Additions	-	-	3,618	86,350	89,968
At 31 December 2012	<u>470,000</u>	<u>58,126</u>	<u>76,983</u>	<u>238,223</u>	<u>843,332</u>
Accumulated depreciation					
At 1 January 2012	18,800	44,734	63,037	97,897	224,468
Depreciation charge for year	9,400	4,166	6,998	41,399	61,963
At 31 December 2012	<u>28,200</u>	<u>48,900</u>	<u>70,035</u>	<u>139,296</u>	<u>286,431</u>
Net book value					
At 31 December 2012	<u>£441,800</u>	<u>£9,226</u>	<u>£6,948</u>	<u>£98,927</u>	<u>£556,901</u>
At 31 December 2011	<u>£451,200</u>	<u>£13,392</u>	<u>£10,328</u>	<u>£53,976</u>	<u>£528,896</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 2012

13. FIXED ASSET INVESTMENTS	2012 Total £	2011 Total £
Group and Charity		
Market Value		
At 1 January 2012	1,536,411	31
Additions		1,496,772
Unrealised gain	116,557	39,608
	<u>£1,652,968</u>	<u>£1,536,411</u>
Historical cost		
At 31 December 2012	<u>£1,496,803</u>	<u>£1,496,803</u>
Charity only		
Shares in group subsidiary	<u>1</u>	<u>1</u>

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

Barclays corporate bonds	524,160
Barclays global government bonds	544,313
Barclays inflation link bonds	<u>566,463</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.

14. 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	2012 £	2011 £
Summary Profit and Loss Account		
Royalties	296,160	253,315
Donations and sponsorship	213,212	359,586
Cost of sales	-	(800)
	<u>509,372</u>	<u>612,101</u>
Total gross profit	509,372	612,101
Administrative expenses	(5,209)	(7,181)
	<u>504,163</u>	<u>604,920</u>
Operating profit for the year	504,163	604,920
Gift Aid payment to parent company	(504,163)	(604,920)
Tax	-	-
	<u>£-</u>	<u>£-</u>
Retained profit for the year	£-	£-

MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2012

15. RESULTS FROM TRADING ACTIVITIES OF SUBSIDIARIES			2012	2011		
			£	£		
The assets and liabilities:						
Fixed assets			-	1,633		
Current assets			444,084	446,097		
Current liabilities			(444,083)	(447,729)		
			<u>£1</u>	<u>£1</u>		
Total net assets			<u>£1</u>	<u>£1</u>		
Aggregate share capital and reserves			<u>£1</u>	<u>£1</u>		
			<u>£</u>	<u>£</u>		
16. STOCKS			Group and Charity			
			2012	2011		
			£	£		
Finished goods			£33,761	£40,516		
			<u>£</u>	<u>£</u>		
17. DEBTORS			Group		Charity	
	2012	2011	2012	2011		
	£	£	£	£		
Trade debtors	517,858	238,843	130,787	121,385		
Prepayments and accrued income	960,636	857,649	906,352	726,983		
Amounts owed by group undertakings	-	-	371,903	420,203		
	<u>£1,478,494</u>	<u>£1,096,492</u>	<u>£1,409,042</u>	<u>£1,268,571</u>		
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>		
18. CREDITORS: amounts falling due within one year			Group		Charity	
	2012	2011	2012	2011		
	£	£	£	£		
Trade creditors	360,479	207,460	359,735	206,740		
Social security and other taxes	105,208	92,493	36,413	68,197		
Committed wishes	1,505,810	1,694,174	1,505,810	1,694,174		
Other creditors and accrued expenses	193,011	152,519	190,368	150,008		
	<u>£2,164,508</u>	<u>£2,146,646</u>	<u>£2,092,326</u>	<u>£2,119,119</u>		
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>		

At 31 December 2012 the committed wishes creditor represented 494 wishes at an average remaining cost of £3,048 (2011: 528 at an average cost of £3,209).

MAKE-A-WISH FOUNDATION UK
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2012

19. MOVEMENT IN FUNDS	Balance 1 January 2012 £	Incoming resources £	Resources expended £	Gains + Transfers £	Balance 31 December 2012 £
Unrestricted funds					
General fund	1,252,944	6,294,834	(6,660,446)	347,820	1,235,152
Designated funds					
Fixed Asset fund	530,529	-	-	26,372	556,901
Support fund	1,562,379	-	-	(104,267)	1,458,112
Applications fund	823,500	-	-	(153,368)	670,132
Total Designated	<u>2,916,408</u>	<u>-</u>	<u>-</u>	<u>(231,263)</u>	<u>2,685,145</u>
Total funds	<u>£4,169,352</u>	<u>£6,294,834</u>	<u>(£6,660,446)</u>	<u>£116,557</u>	<u>£3,920,297</u>

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

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

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.

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Designated Funds £	General Funds £	Total Funds £
Fund balances at 31 December 2012 are represented by			
Tangible fixed assets	556,901	-	556,901
Investments	-	1,652,968	1,652,968
Current assets	3,634,054	206,068	3,840,122
Current liabilities	(1,505,810)	(623,884)	(2,129,694)
Total net assets	<u>£2,685,145</u>	<u>£1,235,152</u>	<u>£3,920,297</u>

21. RELATED PARTY DISCLOSURES

At the year end £371,903 was due from Make-A-Wish Promotions Limited (2011: £420,203).

During the year the charity also made payments to Penningtons Solicitors of £5,547 (2011: £19,729) in respect of legal services, a firm in which Mr Cash is a partner in the year under review. Mr Cash is a partner at the same firm. £Nil was outstanding at the year end (2011: £Nil). Payments were also made to Barclays Bank of £3,591 (2011: £2,289) 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 (2011: £Nil). All transactions are at arm's length.

22. 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 10 guarantor members at the balance sheet dated 31 December 2012 (2011: 9).