

Charity Registration No. 1102529

Company Registration No. 4860607 (England and Wales)

RAYS OF SUNSHINE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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RAYS OF SUNSHINE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees Stephen Allan (Chairman)
Nicholas Davis
David Joseph CBE
Justin Randall

Charity number 1102529

Company number 4860607

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RAYS OF SUNSHINE

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RAYS OF SUNSHINE

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

Annual Report and Accounts 2015

2015 has been a positive year for Rays of Sunshine.

We granted 727 wishes during the year from 1,117 applications. Both of these are record numbers and it the fifth successive year in which we have granted more wishes than in the previous year.

Each wish granted brings us closer to achieving our vision of making every seriously ill child's wish come true.

Rays of Sunshine does not receive any funding from the government. This means we need the support of our donors, corporate partners and volunteers more than ever to meet the increased demand for our services.

Every penny we raise helps avoid the heart-breaking situation of having to keep seriously and terminally ill children waiting for their wishes.

During 2015, we touched the lives of more than 6,000 seriously and terminally ill children and their families. We now reach more children than ever before, largely due to having expanded our service. As well as granting wishes, we offer hospital ward wishes, hospital activity events, and host large-scale events and festive parties.

We continue to remain in touch with our wish families and provide a distraction after their wishes have been granted. We are often the only piece of good news in the lives of families who are living through situations most parents do not dare even to think about.

The growth in our services would not be possible without the generosity, commitment and passion of our donors, fundraisers, supporters, corporate partners and volunteers. Without them we would not have the resources to help us achieve our mission.

During 2015, we conducted a survey among our wish families to find out how they feel about the charity. The overriding message was that it makes them feel extraordinary, rather than disadvantaged. Our invitations to outings and high-profile events make them feel honoured to be part of the Rays of Sunshine family. Feedback such as this redoubles our mission to grant the wish of every child that needs our help.

Wishes

In 2015, Rays of Sunshine received a record 1,117 wish requests (vs. 823 in 2014), of which 727 were completed (vs. 651 in 2014). This is our highest number to date and we expect this significant growth to continue into 2016.

The demand for wishes has increased by 50% over the past four years and we now receive around 100 wish applications every month.

Year-on-year we increased our profile in the hospitals and hospices across the UK that refer wishes to us. This, together with the fact that parents can now fill in a wish pack online, saw a 36% increase in wish applications in 2015.

Despite the increase in the number of applications, our wish team and medical consultants continue to review each wish individually. During 2015, we strengthened the wish team to meet the increase in their workload. We are fortunate that our structure is such that we can add to our team as required.

Every one of our wish granters works to their maximum capacity of wishes at any one time.

The Impact of a Wish

Anyone who has seen the impact a wish can have on a sick child and their families understands the power of a wish. Every day at Rays of Sunshine we receive reminders of the impact that we are having on the lives of seriously ill children.

We receive letters, emails and phone calls telling us how our wishes have made a difference, not just by putting a smile on their child's face but to their self-esteem and confidence.

RAYS OF SUNSHINE

CHIEF EXECUTIVE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Our wish team speak to every wish family after the child's wish has taken place in order to obtain feedback about the experience. 97% of our wish families awarded the experience 10 out of 10 during 2015. In a survey we conducted amongst our medical refers, 97% thought that having a wish granted has a positive effect on a child who has a life threatening or serious illness.

In October 2015, we introduced a new method of measuring both the quality of the service we provide and the impact of our wishes, called The Happiness Index. Initial findings of The Happiness Index are:

- 95% felt that the wish provided the child and their family with a distraction from medical appointments and treatment
- 93% felt that their wish provided the family with a special time to spend together
- 91% felt that the wish enabled the child to feel more positive and hopeful
- 87% felt that the wish improved the child's frame of mind to cope better with the challenges of their condition/treatment

Every wish Rays of Sunshine grants makes a difference, as this thank you from the father of one of our wish children testifies:

Amber, from Leeds, is 16. She is living with an extremely rare form of Cystic Fibrosis that made diagnosis difficult. This strain of the condition caused her to gain weight, resulting in a loss of confidence in herself and her appearance. Her self-esteem was incredibly low and one of the main objectives of her wish was to boost her confidence.

Amber's wish was to have a complete makeover, culminating in a professional photoshoot. The charity arranged for her to travel to London with her parents and spend two nights in a hotel. Her first stop was to a specialist 'celebrity' hair colourist to create the mermaid look she dreamed of. The following day she enjoyed a private shopping experience with a personal shopper, before heading off to a studio for a professional photo shoot.

After the wish Amber's father said:

"Your sponsors and patrons need to know their efforts and contributions really do give a life altering and enhancing effect to those you grant wishes to. I think this journey has been a massive step into her believing in herself and finding the true beauty she has. With Amber's condition there is no easy fix, especially on an emotional level, however we feel this could be the start of a breakthrough for her and her future. This has been one of the most important life experiences for Amber, and although she still feels a little like she wasn't deserving of such an amazing gift that you made possible for her, I know she will cherish these experiences and memories for the rest of her life."

Of the wishes we received in 2015, 69% were for those children with a life shortening or life threatening diagnosis, including rush wishes i.e. children with a prognosis of less than six months. This statistic confirms that the most seriously and critically ill children receive most of our wishes.

It is with huge sadness that we saw the loss of 72 of our wish children in 2015. Unbearably, that figure has increased from 2014. We remember each child and hope that memories of our wishes help their family when they need it the most.

We are all extremely grateful to Hayley Allan, Chair of the Wish Appeals Committee. So too to our hard working team of medical consultants, Dr Warren Hyer, Dr Michelle Afif, Dr Matthew Fenton, Dr Amber Burford and Dr Ruby Schwartz. Each of them is a volunteer and they provide our wish team with invaluable advice to ensure that every medical need can be met during a wish.

Our gratitude also goes to the medical consultants and play specialists who refer wishes to us. Their ongoing feedback enables us to continue to refine our service and provide them with the support they need.

RAYS OF SUNSHINE

CHIEF EXECUTIVE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Making our wish children part of the Rays of Sunshine Family

We like to say that once a child has had a wish with us they become part of the Rays of Sunshine family. Staying in touch with our wish children is very important to us and we believe is something that makes us unique in the wish-granting world.

We include our wish children in our extensive activity programme. This runs throughout the year, with activities targeted to specific age groups.

Some highlights of 2015 included:

- Our annual concert at the Royal Albert Hall for which we gave away 1,500 seats to wish children and their families
- As Ferrari Northern Europe's chosen charity, we were once again able to offer 30 of our beneficiaries the thrill of being driven at high speed in a Ferrari around the Silverstone track
- We treated 1,000 beneficiaries to an outing at LEGOLAND Windsor
- We hosted 24 activity events/pamper days at hospitals across the country
- We held our first teen-cooking event, which was attended by more than 50 teenagers. This proved so popular that we intend to hold more of these in 2016.

WARD WISHES

We granted 22 ward wishes in 2015 and this scheme allows us to reach hundreds more children and help to make their stay in hospital just that bit more bearable.

Hospitals across the country have benefitted from our hospital ward wish scheme. Whether decorating treatments rooms, providing toys, hosting outings or buying vital equipment, we help to reduce the fear and lift the spirits of all the children they treat.

FINANCIAL

Our income rose to £4,180,813 in 2015 (£3,865,704 in 2014). This was largely due to an increase in support from our corporate partners.

In the past five years, we have not only raised the charity's income but also significantly diversified the funding structure where the emphasis on raising the majority of our funds through holding our annual fundraising ball has changed to nurturing current corporate partners whilst seeking new ones to sponsor wishes and raise our profile. Corporate income rose by 31.3% on 2014 to £1,487,856 in 2015, being 35.5% of total income compared to fundraising ball which was £721,810 in 2015, being 17.3% of total income.

As well as increasing our income during this difficult economic period, 76p of every pound spent by the charity was on charitable activities, compared to 67p in the previous year. We are proud to have made our structure leaner and more efficient and are continually looking at ways to reduce our overheads. However, the average cost of a wish continues to rise. This is mainly due to the increase in travel wishes.

We sent 147 families abroad in 2015, compared to 93 families in 2014, a rise of 58%. The average cost of a holiday abroad wish in 2015 was £3,309.

We are expecting the travel wishes to increase in 2016. This is likely to be the result of the another major wish-granting charity not currently fulfilling Disney World Florida wishes and reducing their travel wish programmes, due to the expense. For the time being, Rays of Sunshine will continue to offer travel as we feel it enables families to spend precious quality time together whilst working with multiple organisations to ensure the lowest costs for the ultimate wish experience. However, this will be reviewed by our Admin & Finance committee on a regular basis.

The ongoing economic climate continues to make successful and cost effective fund raising extremely challenging. Despite this, Rays of Sunshine work tirelessly to raise sufficient funds to expand our services.

RAYS OF SUNSHINE

CHIEF EXECUTIVE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Morgan Stanley 2015 Strategy Challenge

Rays of Sunshine was selected as one of six charities to take part in Morgan Stanley's 2015 Strategy Challenge, a skills based volunteer programme, to provide non-profit organisations with pro bono strategic consulting. The eight-week programme involved a team of five Morgan Stanley employees using their professional expertise and skill sets to develop business strategies through in-depth analysis and results.

The Rays of Sunshine team were chosen as joint winners of the Morgan Stanley UK 2015 Strategy Challenge.

Among Morgan Stanley's analysis and findings were:

- The charity has a lean and efficient structure
- The number of wishes per employee has increased significantly over the past few years, with each wish employee fulfilling over 60 wishes each
- In the last five years, the charity has not only increased the funds but also diversified the funding structure significantly.

Volunteers, supporters and Celebrity ambassadors

We could not fulfil the number of wishes we complete each year without our dedicated army of active volunteers, who show such passion for our cause. We rely on them to assist with our hospital pamper and activity days, to run our festive parties, our fundraising ball and, of course, to add that extra sparkle to our wishes.

This year we have been fortunate to have the support of so many individuals and companies.

We're also lucky to be so well supported by our celebrity ambassadors who help us in so many ways. Whether it is by granting a child their wish to meet them, to sing at our concert or to help out with our fundraising activities their contribution is invaluable.

We are extremely grateful to them and to everyone who gave us financial gifts and gifts in kind during the year.

Our Aims for 2016

Our goals for 2016 are to receive 1,200 wishes, 35 hospital ward wishes and to continue to reach as many children as possible through our events, outings and activity days. With the continued support of our volunteers, staff, ambassadors, patrons and our corporate partners, we are confident we can do so.

In saying this, 2016 will be a challenging year.

Our financial target is income of £3.4million. Our income was higher in 2015 due to the support of one of our larger corporate partnerships but that came to an end in June 2015.

Whilst one of our aims last year was to invest significant funds into a legacy capital project, we recognise that the number of wishes is increasing each year and, as our core objective is to grant wishes, we will only invest into a major capital legacy project if we identify a surplus that cannot be used in the short term for wishes. As a result, the Trustees and the Executive Board will carefully consider the best use of these funds during the year.

During 2016 we will start the process of reviewing our vision, mission and three-year strategy.

I would like to take this opportunity to thank Daniel Coleman, Chair of the Executive for the past 13 years, for all of the hard work, passion and commitment that he has shown. During this time, Daniel has attended almost every event and dedicated himself to the success of the charity. He has recently stepped down and will become a Trustee of the Charity. Richard Burston has been appointed Chair of the Executive and the team and I look forward to working with him.

RAYS OF SUNSHINE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2006, and the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting for Charities" FRS102, issued in January 2015.

1. Structure, Governance and Management

Rays of Sunshine is incorporated as a charitable company limited by guarantee (charity number 1102529, company number 4860607). It is governed by its memorandum and Articles of Association as amended by a special and a written resolution dated 16th May, 2011. The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Stephen Allan

Nicholas Davis

David Joseph CBE

Timothy Shaw

Justin Randall

Justin Randall who has been the Treasurer at Rays of Sunshine for over 12 years, as of 24th June 2015 became a Trustee.

Timothy Shaw resigned from the Trustee board on 2 June 2016. The Trustees would like to take this opportunity to thank Tim for all of his hard work over the years.

The Trustees have overall responsibility for Rays of Sunshine's strategy and governance. Jane Sharpe, the Chief Executive Officer is responsible for managing the organisation's activities and executing the strategic plan with the support of the office staff team (who currently number 24 full time staff and two part time staff). The Chief Executive attends all the Trustee and Executive meetings and senior staff are invited in rotation to present to the Executive.

The Executive Board was chaired in the period by Daniel Coleman and Richard Burston has recently taken over. The Executive Board meets every other month and is supported by the Administration and Finance sub-committee, Chaired by Treasurer and Trustee, Justin Randall. The other committees are the Wish Appeals Committee, The Hospital and Ward Wish Committee, The Events and Fundraising Committee, The Strategy Committee and Generation Sunshine.

2. Principal Risks and uncertainties

During 2015 we held a full risk review and this identified the risks facing the charity.

The Trustees consider the principal risks and uncertainties to be linked to personnel and financial obligations, in terms of sustaining income in line with the growth in the number of wishes received.

A risk register is maintained and formally reviewed by the Trustees annually and reviewed quarterly by the Admin & Finance committee.

3. Mission

The charity's mission is to relieve the suffering and needs of children and young people who have illnesses or disabilities covering limited life expectancy or who suffer from long term physical or mental disabilities (including learning disabilities). There have been no changes to the charity's mission over the years.

RAYS OF SUNSHINE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

4. Objectives

In support of this mission, the charity's main objectives are:

- To fulfil wishes for terminally and seriously ill children between the ages of 3 and 18 in the United Kingdom.
- To fulfil ward wishes for hospitals and hospices within the United Kingdom.
- To purchase equipment of gifts for the hospitals, hospices and specialist schools that provide care for these children.
- To plan towards making a grant towards a capital project to a hospital, hospice or specialist school which provides care for terminally and seriously ill children if funding is available.

5. Strategy

The strategies of the charity in support of these objectives are to:

- Increase the number of wishes granted.
- Increase the number of active volunteers.
- Expand our volunteer base regionally.
- To continue to grow corporate support, whilst recognising that we have some major partnerships that are due to finish at the end of 2016. We do have a broad funding base, attracting support from a wide range of sources including corporate supporters, individual donors, our main fundraising ball, in aid of fundraising events and challenge events. The Trustees recognise the importance of developing and maintaining a variety of sources of revenue, in order to provide continued stability in the future and this is part of our fundraising strategy, so that we are no reliant on any one income stream.
- To increase our database to encourage more active involvement within the charity
- To continue to seek more opportunities for national and broadcast coverage.

6. Achievements and Performance

2015 was another positive year for Rays of Sunshine with growth in terms of wish numbers and income.

We increased our wishes by 36% vs 2014 and each year since 2010, we have granted more wishes than in the previous year. We have fully expanded our service to remain in touch with our wish families and continue to offer our exceptional service to them.

We receive feedback on every wish and 97% of our wish families awarded the experience 10 out of 10 during 2015.

97% of our medical referrers, 97% thought that having a wish granted has a positive effect on a child who has a life threatening or serious illness.

We were extremely proud to take part in the Morgan Stanley 2015 Strategy Challenge and thrilled that our team were chosen as the joint winners.

We held our fourth Rays of Sunshine concert at The Royal Albert Hall, headlined by Little Mix and sponsored by our partners, Frankie & Bennies. It was a huge success and received excellent nationwide coverage both on TV and in the press.

This positive PR has increased our awareness and has contributed to the rise in the number of wishes we have received.

RAYS OF SUNSHINE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Throughout the year we have held many of our successful and now annual events, such as our main fundraising ball in London, which is our biggest fundraising event. This year we were fortunate enough to have Take That perform, free of charge, which was a highlight not only for the charity but also for everyone who attended that evening.

None of this would be possible without our energetic team of volunteers, who continue to astound us with their commitment and passion.

Our social networks continue to grow and we are extremely active across all social media platforms such as Instagram, Twitter, Facebook and our own YouTube Channel.

7. Fundraising Effectiveness

We have five members of the fundraising team. They are supported by our Chief Executive and Head of Communications who are integral in all the corporate partnerships.

Costs have increased, mainly due to the increased staffing levels but that has been reflected by the additional exposure we have had to corporate sponsorship, of which the leads will come to fruition in 2016.

8. Financial Review

Our total income for 2015 was £4,187,606 an increase of 8.3% on 2014 (£3,865,704); our costs increased by 15.1% to £3,805,599 mainly due to the increase in wish granting and the types of wishes being granted, but also the additional costs of hosting a much larger Party at the Troxy as mentioned previously; the high costs of the sound and staging of Take That enabled the charity to receive our biggest pledge to date totalling £338,085. Whilst we have many corporate partners and individual patrons, given the high level of wishes received, we are projecting a deficit in 2016 and will be using our reserves to sustain our levels of wish growth.

Our Current Assets have increased by 24.4% predominantly due to the healthy balances held at the bank, being £3,153,471; while Current Liabilities have increased by 49.1% due to accruals for staff bonuses £57,335, corporate fundraising costs £19,000 and deferred income of £10,017 resulting in a Net Current Asset increase of 13.5%.

9. Reserves Policy

It is the current policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a minimum level to ensure that we are always able to satisfy wishes for a 9 to 12 month period. The Trustees believe that reserves at this level will minimize the impact on the Charity's activities from any interim adverse change in funding. The Trustees are mindful of the effect that Brexit could have on our donors and indeed our corporate supporters.

Our reserves policy means we should be able to grant any wish promised, irrespective of income at any particular moment in time.

In light of the current economic climate the Trustees are pleased to report that the Charity has a healthy balance sheet which will be used to allow services for seriously and terminally ill children to be delivered at the same rate during the year, whatever the rate of income during 2016.

Due to our annual fundraising event always being held in the later part of the year, our reserves are managed so that the above policy will be maintained at all times of the year. Therefore at the year end the reserves are at or near their maximum. The Trustees review the reserves policy annually.

RAYS OF SUNSHINE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10. Investment Policy

The Trustees have the power to invest in funds as they deem appropriate. The Trustees' investment policy is to hold surplus cash in easily accessible bank accounts. Amounts transferred to designated funds represents amounts set aside for a capital project, small capital projects, or for specific wishes that donors have identified they wish to support.

11. Plans for Future Periods

- To receive 1,200 wishes
- To grant 35 hospital or hospice ward wishes
- To stay in touch with our wish children after they have received their wish
- Income target of £3.4million
- We will be starting the process of reviewing our 3 – 5 year strategy

12. Public Benefit

Rays of Sunshine's services provide relief for children who are seriously or terminally ill and their families and as such deliver public benefit.

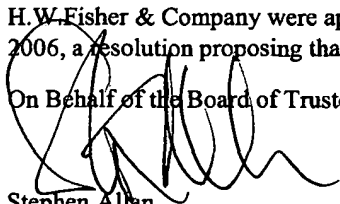
13. Disclosure of information to auditors

Each of the Trustees has confirmed there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

14. Auditors

H.W.Fisher & Company were appointed auditors to the company and in accordance with the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General meeting.

On Behalf of the Board of Trustees



Stephen Allan

Chairman of the Trustees

RAYS OF SUNSHINE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees, who are also the directors of Rays of Sunshine for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RAYS OF SUNSHINE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAYS OF SUNSHINE

We have audited the financial statements of Rays of Sunshine for the year ended 31 December 2015 set out on pages 12 to 25. 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), including Financial Reporting Standard 102.

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. 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 opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 9, the trustees, who are also the directors of Rays of Sunshine for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its 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 requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

RAYS OF SUNSHINE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAYS OF SUNSHINE

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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Rich (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
NW1 3ER
United Kingdom

16/9/16

RAYS OF SUNSHINE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total 2015	Total 2014
	Notes	£	£	£	£	£
<u>Income from:</u>						
Donations and gifts	3	2,127,254	-	70,750	2,198,004	2,083,193
Gifts in kind	4	934,744	-	-	934,744	1,020,975
Activities for generating funds	5	1,030,005	-	-	1,030,005	735,479
Investments	6	18,060	-	-	18,060	26,057
Total income		4,110,063	-	70,750	4,180,813	3,865,704
<u>Expenditure on:</u>						
Raising funds	7	813,476	-	-	813,476	694,589
Charitable activities	8	2,450,341	515,000	-	2,965,341	2,610,771
Total resources expended		3,263,817	515,000	-	3,778,817	3,305,360
Net incoming resources before transfers		846,246	(515,000)	70,750	401,996	560,344
Gross transfers between funds		(871,007)	871,007	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(24,761)	356,007	70,750	401,996	560,344
Fund balances at 1 January 2015		1,814,988	1,015,000	-	2,829,988	2,269,644
Fund balances at 31 December 2015		1,790,227	1,371,007	70,750	3,231,984	2,829,988

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

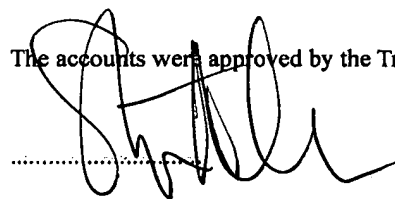
RAYS OF SUNSHINE

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	12		12,032		11,604
Investments	13		1		1
			<u>12,033</u>		<u>11,605</u>
Current assets					
Debtors	15	289,922		261,808	
Cash at bank and in hand		3,146,526		2,699,701	
		<u>3,436,448</u>		<u>2,961,509</u>	
Creditors: amounts falling due within one year	16	(216,497)		(143,126)	
Net current assets			<u>3,219,951</u>		<u>2,818,383</u>
Total assets less current liabilities			<u><u>3,231,984</u></u>		<u><u>2,829,988</u></u>
Income funds					
Restricted funds	17		70,750		
<u>Unrestricted funds</u>					
Designated funds	18	1,371,007		1,015,000	
General unrestricted funds		<u>1,790,227</u>		<u>1,814,988</u>	
			<u>3,161,234</u>		<u>2,829,988</u>
			<u><u>3,231,984</u></u>		<u><u>2,829,988</u></u>

The accounts were approved by the Trustees on 6/9/16



Trustee
Stephen Allan
 Company Registration No. 4860607

RAYS OF SUNSHINE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	21		435,229		656,733
Investing activities					
Purchase of tangible fixed assets		(6,464)		(10,069)	
Interest received		18,060		26,057	
Net cash generated from investing activities			11,596		15,988
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			446,825		672,721
Cash and cash equivalents at beginning of year			2,699,701		2,026,980
Cash and cash equivalents at end of year			3,146,526		2,699,701

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Rays of Sunshine is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Olympic Way, Wembley, Middlesex, HA9 0NP.

1.1 Accounting convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2015 are the first accounts of Rays of Sunshine prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised when the charity is under obligation to make a transfer of value to a third party.

Governance costs include the costs of statutory compliance (eg. auditor's remuneration) and other costs related to the governance of the charity.

Resources expended are classified under the charity's principal categories of activity. Staff costs are allocated to activities on the basis of staff time spent on those activities. Overhead costs are allocated to activities in the following proportions: 79% to wish granting expenditure and capital projects, 20% to fundraising and 1% to governance costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33.3% straight line
--------------------------------	---------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Tax Status

The charitable company is a registered charity and is not subject to corporation tax on its current activities.

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and gifts

	Unrestricted funds general £	Restricted funds £	Total 2015 £	Total 2014 £
Donations and gifts	2,127,254	70,750	2,198,004	2,083,193
For the year ended 31 December 2014	<u>2,066,986</u>	<u>16,207</u>		<u>2,083,193</u>

4 Gifts in kind

	2015 £	2014 £
Events	143,685	51,701
Direct charitable activities	776,262	953,274
Governance costs	14,797	16,000
	<u>934,744</u>	<u>1,020,975</u>
Direct charitable activities		
Rent and related costs	144,280	101,181
Wishes	325,049	240,447
Advertising	284,738	604,616
Printing	20,683	4,090
Computer services	1,512	2,940
	<u>776,262</u>	<u>953,274</u>

The charity received donations in kind valued at £934,744 (2014: £1,020,975) during the period. In addition, a significant number of gifts were received for which it is difficult to attribute a value. For example, the time provided by celebrities to meet the children and attend charity events. It has not been possible to attribute a value to such gifts within these accounts.

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

5 Activities for generating funds

	2015	2014
	£	£
Non-charitable trading activities	1,030,005	735,479

6 Investments

	2015	2014
	£	£
Interest receivable	18,060	26,057

7 Raising funds

	2015	2014
	£	£
<u>Events and fundraising costs</u>		
Staging fundraising events	445,038	414,939
Advertising	88,163	166,314
Other fundraising costs	23,800	4,059
Staff costs	256,475	108,786
Depreciation and impairment	-	491
	813,476	694,589

To date, Rays of Sunshine has raised a large proportion of funds from events and the costs of these events are reflected above. It is anticipated that the income to expenditure ratio will increase as a more balanced fundraising portfolio is developed in the future.

WAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Charitable activities

	2015 £	2014 £
Staff costs	398,300	429,704
Depreciation and impairment	6,036	4,969
Wishes	1,756,679	1,623,029
Increase/reduction in bad debts	-	(14,200)
Other office costs	221,843	195,684
Wishes - restricted	-	16,207
Wishes - designated	515,000	307,391
	<u>2,897,858</u>	<u>2,562,784</u>
Share of governance costs (see note 9)	67,483	47,987
	<u>2,965,341</u>	<u>2,610,771</u>

9 Governance costs

	2015 £	2014 £	Basis of allocation
Staff costs	16,370	5,439	Staff time
Audit fees	11,524	10,190	Specific cost
Accountancy	39,589	32,358	Specific cost
	<u>67,483</u>	<u>47,987</u>	
Analysed between			
Charitable activities	<u>67,483</u>	<u>47,987</u>	

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

WAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2015**

11 Employees

Number of employees

The average monthly number employees during the year was:

	2015	2014
	Number	Number
Provision of wishes and fundraising	21	15

Employment costs

	2015	2014
	£	£
Wages and salaries	608,787	495,251
Social security costs	62,358	48,678
	671,145	543,929

The number of employees whose annual remuneration was £60,000 or more were:

	2015	2014
	Number	Number
£100,000 - £110,000	1	1

The key management personnel of the charity, comprise the trustees, the Chief Executive Officer, Finance Officer and Head of Communications and Development. The total employee benefits of the key management personnel of the Charity were £204,437 (2014: £193,348).

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2015**

12 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2015	78,128
Additions	6,464
	<u>84,592</u>
At 31 December 2015	<u>84,592</u>
Depreciation and impairment	
At 1 January 2015	66,524
Depreciation charged in the year	6,036
	<u>72,560</u>
At 31 December 2015	<u>72,560</u>
Carrying amount	
At 31 December 2015	12,032
	<u>11,604</u>
At 31 December 2014	<u>11,604</u>

13 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	20	1	1
		<u>1</u>	<u>1</u>

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 January 2015 & 31 December 2015	1
	<u>1</u>
Carrying amount	
At 31 December 2015	1
	<u>1</u>
At 31 December 2014	<u>1</u>

These financial statements are separate company financial statements for Rays of Sunshine Promotions Limited.

Rays of Sunshine Promotions Limited is a dormant, wholly-owned subsidiary of Rays of Sunshine.

WAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 Financial instruments	2015	2014
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	177,919	139,829
Equity instruments measured at cost less impairment	1	1
	<u></u>	<u></u>
Carrying amount of financial liabilities		
Measured at amortised cost	216,497	143,126
	<u></u>	<u></u>
15 Debtors	2015	2014
	£	£
Amounts falling due within one year:		
Trade debtors	78,663	107,751
Other debtors	99,256	32,078
Prepayments and accrued income	112,003	121,979
	<u></u>	<u></u>
	289,922	261,808
	<u></u>	<u></u>
16 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	92,835	71,716
Other creditors	24,741	33,632
Accruals and deferred income	98,921	37,778
	<u></u>	<u></u>
	216,497	143,126
	<u></u>	<u></u>
17 Restricted funds		

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2015	Movement in funds Incoming resources	Resources expended	Balance at 31 December 2015
	£	£	£	£
Specific wishes	-	70,750	-	70,750
	<u>-</u>	<u>70,750</u>	<u>-</u>	<u>70,750</u>
	-	70,750	-	70,750
	<u>-</u>	<u>70,750</u>	<u>-</u>	<u>70,750</u>

Restricted funds comprised sums received for specific wishes and equipment.

WAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

18 Designated funds

The income funds of the charity include the following designated fund which has been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2015	Movement in funds		Transfers	Balance at 31 December 2015
	£	Incoming resources £	Resources expended £	£	£
Wishes	515,000	-	(515,000)	871,007	871,007
Capital project	500,000	-	-	-	500,000
	<u>1,015,000</u>	<u>-</u>	<u>(515,000)</u>	<u>871,007</u>	<u>1,371,007</u>

During the year, the trustees decided they will designate funds to cover all the wishes approved but not fulfilled, as well as designating funds to seed a capital project in the future.

19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2015 are represented by:				
Tangible assets	12,032	-	-	12,032
Investments	1	-	-	1
Current assets/(liabilities)	<u>2,134,201</u>	<u>1,015,000</u>	<u>70,750</u>	<u>3,219,951</u>
	<u>2,146,234</u>	<u>1,015,000</u>	<u>70,750</u>	<u>3,231,984</u>

20 Subsidiaries

These financial statements are separate company financial statements for Rays of Sunshine Promotions Limited.

Details of the charity's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Rays of Sunshine Promotions Limited	United Kingdom	Dormant	Ordinary	100.00

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

21 Cash generated from operations	2015	2014
	£	£
Surplus for the year	401,996	560,344
Adjustments for:		
Investment income recognised in profit or loss	(18,060)	(26,057)
Depreciation and impairment of tangible fixed assets	6,036	5,460
Movements in working capital:		
(Increase)/decrease in debtors	(28,114)	112,439
Increase in creditors	73,371	4,547
Cash generated from operations	<u>435,229</u>	<u>656,733</u>
