

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 2016

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RAYS OF SUNSHINE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Stephen Allan (Chairman) Nicholas Davis David Joseph CBE Justin Randall Daniel Coleman (Appointed 13 October 2016)
Charity number	1102529
Company number	4860607
Principal address	1 Olympic Way Wembley Middlesex HA9 0NP
Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Barclays Bank Plc 27 Soho Square London W1D 3QR
Solicitors	Mishcon de Reya LLP Africa House 70 Kingsway London WC2B 6AH

RAYS OF SUNSHINE

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**RAYS OF SUNSHINE
CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Annual Report and Accounts 2016

2016 has been another positive and productive year for Rays of Sunshine.

During the year we:

- fulfilled our 5000th wish at number 11 Downing Street,
- won significant awards for our partnerships,
- held our annual concert at The SSE Arena, Wembley to the delight of over 2,000 wish children and their families,
- held a private viewing of The Champions of Magic illusionist show at The Mermaid theatre,
- hosted once-in-a-lifetime wish days with Mark Ronson and Daisy Lowe,
- as well as organising multiple events with Olly Murs, who continues to be one of our most prolific ambassadors.

These events, combined with our hospital and activity programme that continues to evolve, have ensured that Rays of Sunshine is top of mind when it comes to hospitals referring wishes.

This, in unison with our exceptional reputation and increased profile, has led to an escalation in demand for our service which has risen by 93% since 2011. We are currently receiving over 100 wishes each month, the most we have ever received.

We granted 805 wishes during the year from 1,226 applications, 225 of which have been carried over into 2017. Both are record numbers and it's the sixth successive year in which we have granted more wishes than 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 government funding. This means we are reliant on 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 2016, we touched the lives of an astonishing 12,000 children and their families. We've achieved this by expanding our services and many of this is thanks to the help of our outstanding volunteers.

During 2016, we continued to grow our wishes, our challenge events, our PR, social media and charity awareness, as well as our overall income. The growth in our services would not be possible without the generosity, commitment and passion of our donors, fundraisers, supporters, corporate partners, ambassadors and volunteers. Without them we would not have the resources we desperately need to help us to achieve our mission.

WISHES

In 2016, Rays of Sunshine received a record 1,226 wish requests (vs 1,117 in 2015) of which 805 were completed (vs 727 in 2015). This is our highest number to date and this significant growth is part of our reason for our planned deficit budget this year.

The demand for wishes has increased by 93% over the past five years and we regularly receive over 100 wish applications every month.

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We continue to increase our profile within hospitals and hospices across the UK, all of whom refer wishes to us, resulting in a 10% rise in wish applications from 2015.

Despite the increase in the number of applications, our dedicated wish team and medical consultants continue to review each wish individually. We have continued to strengthen 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. Each 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 family understands the power of a wish. Every day at Rays of Sunshine we receive reminders of the profound impact that we're having on the lives of seriously ill children.

On a daily basis, we receive letters, emails and phone calls from parents, telling us how our wishes have made a difference, not just by putting a smile on their child's face but also improving their self-esteem and confidence.

Our wish team speak to every wish family after the child's wish has taken place in order to obtain feedback about the experience.

During 2016, as in previous years, we conducted a survey among our wish families. 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. Our unique Happiness Index is our method of measuring both the quality of the service we provide and the impact of our wishes based on parents' and medical practitioners' feedback. In 2016 our findings were exceptional and show that:

- 100% felt that the wish provided an opportunity for their child to feel special.
- 99% felt that the wish had a highly positive impact on their child's self-esteem and confidence.
- 93% of respondents felt that the wish enabled the child to feel more positive and hopeful.
- 100% said that the wish provided a welcome distraction from medical appointments and treatment.
- 88% felt that the wish improved the child's frame of mind to cope better with the challenges of their condition/treatment.
- 99% said it provided a special opportunity to capture family memories.

We are often the only piece of good news in the lives of families who are living through situations most parents do not dare to even think about.

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

"We'll never ever be able to thank you enough for what you did for Daniel, what you did for all of us. You're as important to us as the surgeon who saved his life, the oncologist who keeps him well, the nurses who care for him... Keep doing what you do. You make the world a better place."

Of the wishes we received in 2016, 67% 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 the majority of our wishes.

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It is with huge sadness that we saw the loss of 88 of our wish children in 2016. Unbearably, that figure has increased from 2015. We remember each child and hope that memories of our wishes help their family when they need it the most.

We are exceptionally grateful to our hard-working Wish Appeals Committee, made up of our team of medical consultants; Dr Warren Hyer, Dr Michelle Afif, Dr Matthew Fenton, Dr Amber Burford and Dr Ruby Schwartz and chaired by Hayley Allan. Each of them volunteers their time and expertise 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.

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 continue to keep in contact with our wish families and provide a distraction after their wishes have been granted and this quote from Charlie Crick, one of our Wish Ambassadors, sums up how many of our wish children feel:

"I didn't realise until after my wish had been granted that my true wish should have been meeting Rays of Sunshine and becoming a part of your family."

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 2016 included:

Champions of Magic

In April, illusionists took to the stage at The Mermaid, London, to perform for a private audience of over 500 Rays of Sunshine wish families. Queen of close-up magic Fay Presto, grand illusionists Young & Strange and 'International Stage Magician of the Year' Edward Hilsum performed incredible feats of mind-reading, stunning close-up and daring large-scale illusions.

Cookery Workshop

50 teenagers attended a special cookery workshop. The youngsters got to enjoy an interactive cooking session and also got the opportunity to socialise with other young people who are living with similar challenges.

Mark Ronson Hosts A Private Studio Session for Rays of Sunshine

Musician, DJ and producer, Mark Ronson hosted a private studio session where our wish children were treated to one-to-one mentoring with Mark, before coming together to record a special version of his huge hit, Uptown Funk.

Strike a Pose with Daisy Lowe

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Model, and star of this year's Strictly Come Dancing, Daisy Lowe, and legendary British portrait and fashion photographer, Rankin, teamed up with our wish children for an exclusive photoshoot with the aim of inspiring self-esteem. Children, ranging in age from nine to 17, were invited to Rankin's studio where they took part in a professional shoot, including Robyn, 14, who had her wish granted to be a model for a day.

Ferrari California T Experience

For the third year running, Ferrari North Europe chose Rays of Sunshine to be its selected charity partner for its annual charity day at the Silverstone Circuit. Thirty families with children aged six upwards, travelled from across the UK and got to experience the thrill of being driven around the infamous Silverstone Circuit in a Ferrari California T.

Rays of Sunshine Concert

BBC Radio 1 Teen Award Winner Shawn Mendes and international superstars DNCE were amongst the stars to take to The SSE Arena, Wembley stage to perform for an audience of over 6,000. Also performing were Fleur East, Conor Maynard, Louisa Johnson, Lawson and James TW and Capital Breakfast Radio D.J.'s George Shelley and Lilah Parsons hosted the event.

One of the most poignant performances of the night came from our own Children's Wish Choir, who were joined on stage by international popstar and X Factor judge, Nicole Scherzinger, for a show-stopping and moving rendition of 'Ain't no Mountain High Enough'. The event was supported by leading energy company SSE which enabled Rays of Sunshine to offer 2,000 complimentary tickets to seriously ill children who have previously had wishes granted.

Hospital Ward Wishes/Activity days

Our hospital activity programme continues to provide distraction and entertainment to hundreds of children and their families during their time in hospital.

During 2016, we hosted 34 activity events/pamper days at hospitals across the country. Teams in London and Manchester brighten up life on the wards with a programme of visits and entertainment which includes building bears, balloon modelling, face painting and pampering. Volunteers have given up hours of their time to provide hands-on support, and have in turn benefitted from these rewarding experiences.

Christmas Parties

More than 600 families were able to start off the festive season in true sunshine style at our Christmas parties in London and Manchester. Hosted by our amazing volunteers, the events were packed with seasonal arts and crafts, fun games and a Santa's grotto. Our newest ambassador Fleur East popped along to the London event as a surprise guest.

WARD WISHES

We granted 29 ward wishes in 2016 (22 in 2015). 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 treatment 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.

**RAYS OF SUNSHINE
CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

FINANCIAL

Our income rose to £4,420,453 (£4,180,813 in 2015). This was largely due to an increase in income from our Challenge Events, Community Fundraising and In-aid of Fundraising, as well as a very successful fundraising ball.

This has been a part of a deliberate strategy to significantly diversify our income from our reliance on the fundraising ball and our corporate partnerships income.

As well as increasing our income during this difficult economic period, we are proud that 79p of every pound spent by the charity was on charitable activities. We have made our structure leaner and more efficient, as Morgan Stanley found when they did a full audit on Rays of Sunshine during the 2015 Charity Strategy Challenge. We are continually looking at ways to reduce our overheads. Due to the generosity of BE Offices, we have never paid for our rent, phone bills or our stationery since our inception and we strive to receive as many gifts in kind as possible, whether it be for wishes, advertising and promotion or in regard to our offices. Our gifts in kind rose significantly during the year, increasing to £1,307,504 in 2016 – up 40 % from £934,744 in 2015. Much of this is thanks to MediaCom, who continue to be noteworthy supporters of Rays of Sunshine.

This much needed increase in gifts in kind was well received as the average cost of a wish continues to rise. This is mainly due to the considerable increase in travel wishes.

We sent 222 families abroad in 2016, compared to 147 families in 2015 - a rise of 51%. The average cost of a holiday abroad wish in 2016 was £3,411 compared to £3,309 in 2015. This growth has been due to a 52% rise in the number of Florida wishes, compared to 2015. This is in part due to another major wish-granting charity not currently fulfilling Disney Florida wishes and reducing their travel wish programme, as well as the increase in airfares, insurance and the exchange rate.

This significant growth in Florida travel is our main reason for our planned deficit budget during the year. The relatively modest deficit recorded during the year, is less than had originally been budgeted for and is the first time for many years we have had a deficit. We anticipated that we would be drawing on our reserves during both 2016 and 2017 to be able to fulfil our most popular wishes. Our financial planning means we are well-placed to continue to offer travel wishes, as our Trustees feel strongly that it enables families to spend precious quality time together. However, this commitment will be reviewed by our Admin & Finance committee on a regular basis.

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

CELEBRITY AMBASSADORS

Our Celebrity Ambassadors play a key role at Rays of Sunshine. Not only do they fulfil our wishes and allow us to hold remarkable wish days, they also perform at our annual concert and help our fundraising activities. We are extremely grateful to all our Celebrity Ambassadors as they give their time for free and allow us to make children's wishes come true, their contribution is invaluable.

During 2016, we announced three new ambassadors for the charity; Fleur East, Craig David and Daisy Lowe. Daisy, Fleur and Craig have already helped us create some incredible experiences for seriously ill children and we're looking forward to developing their involvement with the charity.

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Our Wish Ambassadors continue to raise awareness throughout the UK of the work we do, as well as referring wishes, and for that, we can't be more grateful. We were also delighted to announce two additional Wish Ambassadors; Cissy Adamou and Caitlin Kydd, in recognition of their work and commitment to raising awareness and funds for Rays of Sunshine.

CORPORATE PARTNERSHIPS AND AWARDS

Our corporate partnerships are extremely important to us and during 2016 were responsible for 39% of our income, excluding donated gifts in kind. Our corporate partnerships remain crucial in not only raising funds, but also boosting Rays of Sunshine's profile.

Our new partnership with Arcadia's fashion retail chain Outfit is a perfect example of this. We hope that our visibility in 77 stores across the country will inspire many additional fundraisers and volunteers, as well as generating awareness amongst more people who need our help.

We have also seen our most successful year of partnership with Clintons, largely due to receiving the 5p carrier bag levy, totalling an incredible £182,742 this year.

We have an outstanding record of corporate partnerships with excellent references from those we've worked with and we were thrilled to win two awards during 2016 with our major charity partners The Fragrance Shop and Frankie and Benny's, which are testimony to this.

Our partnership with The Fragrance Shop won an award at the Better Society Awards for 'Partnership with a Children's Charity', whilst for our partnership with Frankie & Benny's we took home a Third Sector Business Charity Award 'for an outstanding partnership between a company in the travel and hospitality sectors and a UK charity'.

In March 2016, we launched our 'Rays of Sunshine Awards' with *Woman's Weekly* magazine, which saw the magazine's readers nominate the 'rays of sunshine' in their lives to receive a very special award.

OUR AIMS FOR 2017

2017 will be challenging for the charity. Given the high level of wishes received, we are projecting a deficit in 2017 and will be using our reserves to sustain our levels of wish growth.

A key aim for this year is to meet the current level of demand and at the same time ensuring the sustainability of the charity.

This will require constructive changes, specifically to the way we receive and process wishes and this year we are working on a wish budget that has a finite amount of travel wishes.

We start the year having made our first significant criteria change for some time. We still retain our USP of offering a second wish, but we are increasing the length of time between the wishes from one to three years. Taking this into account, we are projecting to receive less wishes in 2017, allowing us to tighten our reins slightly but still ensuring that the most seriously ill children receive their wishes.

We are forever looking for ways to grant more magical and imaginative wishes and thanks to the invaluable help of our Strategy Committee, we will be exploring more ways to do that within 2017.

Jane Sharpe, Chief Executive

**RAYS OF SUNSHINE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

Justin Randall FCA

Daniel Coleman

Tim Shaw (resigned 2nd June 2016)

Timothy Shaw resigned from the Trustee Board on 2nd 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 team (who currently number 24 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 Board.

The Executive Board is chaired by Richard Burston. The Executive Board meets every other month and is supported by the Administration and Finance subcommittee, 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, The Art Committee and Generation Sunshine.

2. Recruitment, Appointment and Induction of New Trustees

The company's Articles of Association provide for a minimum of four and maximum of 15 Trustees. Where there is a requirement for new Trustees, these would be recruited and appointed by the Chairman and existing Trustees.

The Chairman and Chief Executive are responsible for the induction of any new Trustees, which involves awareness of a Trustee's responsibilities, the beliefs of the charity and meetings with all staff members.

3. Principal Risks and Uncertainties

During 2016 we held a 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 by the Admin & Finance committee.

**RAYS OF SUNSHINE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. 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.

5. 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 three and 18 in the United Kingdom.
- To fulfil ward wishes for hospitals and hospices within the United Kingdom.
- To hold hospital and hospice activity days within the United Kingdom.
- To purchase equipment of gifts for the hospitals, hospices and specialist schools that provide care for these children within the United Kingdom.
- 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 within the United Kingdom if funding is available.

6. Strategy

The strategies of the Charity in support of these objectives are:

- To receive wishes, particularly more imaginative wishes and wishes that impact on the child and their families.
- To expand our volunteer base regionally.
- To diversify our supporters, as well as our income streams. We intend to concentrate on previously untapped income streams, primarily Community Fundraising, the vision for which is to have schools, Universities and local organisations raising money for us throughout the year, all over Britain. We have recruited someone to take on this role, which will also involve engaging wish families with a view to them becoming Rays of Sunshine supporters and champions.
- To set up new income streams that require negligible upfront investment. These income streams will raise additional income from existing supporters as well as act as an acquisition tool for new donors.
- To continue to grow our income from corporate supporters.
- To hold new events that will diversify our supporter base.
- To continue to seek more opportunities for national and broadcast coverage.
- To increase our social media awareness.

7. Achievements and Performance

2016 was another positive and productive year for Rays of Sunshine with substantial growth in terms of wish numbers. The demand for our service has risen by 93% since 2011.

During 2016 we touched the lives of 12,000 children and their families.

**RAYS OF SUNSHINE
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- We fulfilled our 5,000th wish at No 11 Downing Street.
- We won significant awards for our partnerships.
- Held our annual concert at The SSE Arena, Wembley to the delight of over 2,000 wish children and their families.
- We held a private viewing of The Champions of Magic Illusionist show at The Mermaid Theatre.
- We hosted once-in-a-lifetime wish days with Mark Ronson and Daisy Lowe as well as organised multiple events with Olly Murs, who continues to be one of our most prolific ambassadors.
- 100 teenagers attended two special cookery workshops. The youngsters got to enjoy an interactive cooking session and got the opportunity to socialise with other young people who are living with similar challenges.
- For the third year running, Ferrari North Europe chose Rays of Sunshine to be its charity partner for its annual charity day at the Silverstone Circuit. Thirty families with children aged six upwards, travelled from across the UK and got to experience the thrill of being driven around the infamous Silverstone Circuit in a Ferrari California T.
- We hosted 34 Hospital Activity Days at hospitals across the country. Teams in London and Manchester brighten up life on the wards with an exciting programme of visits and entertainment. Volunteers have given up hours of their time to provide hands-on support.
- Held two children's Christmas parties in London and Manchester, delighting over 600 children.
- We fulfilled 29 Hospital Ward Wishes. This scheme allows us to reach hundreds more children and help to make their stay in hospital just that bit more bearable.
- Increased our celebrity ambassadors who are extremely helpful to us in giving their time for free to fulfil wishes and also those who attend fundraising events for us.
- Every day at Rays of Sunshine, we receive reminders of the profound impact that we're having on the lives of seriously ill children. We receive feedback on every wish and in 2016 our findings were exceptional as detailed in the CEO report.
- Throughout the year we have held many of our successful and now annual events, such as our main fundraising ball in London, which is currently our biggest fundraising event. This year we were fortunate enough to have Craig David, our ambassador, perform free of charge and it was one of our most effective fundraising balls to date.
- 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.
- One of our most iconic wishes, for Emilia Palmer, has now received over 5 million views on YouTube.

8. Fundraising Effectiveness

We have six members of the fundraising team. They are supported by our Chief Executive, our new Head of Fundraising and our Head of Communications who are integral in all fundraising events and partnerships.

9. Financial Review

Our income rose to £4,420,453 (£4,180,813). This was largely due to an increase in income from our Challenge Events, Community Fundraising and In-aid of Fundraising, as well as a very successful fundraising ball.

As well as increasing our income during this difficult economic period, 79p of every pound spent by the charity was on charitable activities, compared to 76p in the previous year.

Due to a 52% rise in the number of Florida wishes, compared to 2015, our cost per wish has increased for a number of reasons, including flight costs, the exchange rate and an increase in insurance costs.

**RAYS OF SUNSHINE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

This significant growth in Florida travel is our main reason for our planned deficit budget during the year. The relatively modest deficit recorded during the year, is less than had originally been budgeted for and is the first time for many years we have had a deficit. We anticipated that we would be drawing on our reserves during both 2016 and 2017 to be able to fulfil our most popular wishes.

The Trustees have agreed to transfer £500,000 from the Capital Project. This money was initially set aside to seed a capital project, however in light of wish numbers growing, wish costs rising and our need to sustain income in line with the growth in our referrals, the Trustees have moved these funds back into unrestricted funds.

10. Reserves Policy

At the end of 2016 we held £2.2m in General Unrestricted Reserves. This equates to around nine months operating costs.

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 nine to 12 month period. The Trustees believe that reserves at this level will minimise the impact on the Charity of a major macro economic event.

11. 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 represent amounts set aside for a capital project, small capital projects, or for specific wishes that donors have identified they wish to support.

12. Plans for Future Periods

- To receive 1,000 – 1,200 wishes per annum.
- To grant imaginative and impactful wishes.
- To expand our Hospital Activity Days throughout the UK, allowing us to make a difference to children in hospitals.
- To continue to grant Hospital Ward Wishes and make a difference to the hospitals who support us.
- To stay in touch with our wish children after granting their wish and make sure they feel part of the Rays of Sunshine family.
- To reduce our planned deficit budget.
- To finalise our five year strategy.

13. 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.

14. Disclosure of information to auditors

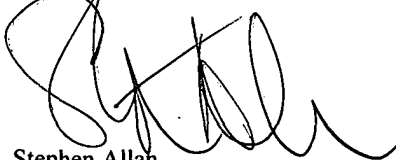
Each of the Trustees has confirmed there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware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

**RAYS OF SUNSHINE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. Auditors

HW 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
Chair of the Trustees

Date:.....28/6/17.....

RAYS OF SUNSHINE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

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; 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 2016 set out on pages 15 to 28. 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 12, 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 2016 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
London
NW1 3ER
United Kingdom

29/6/17

WAYS OF SUNSHINE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2016 £	Total 2015 £
<u>Income from:</u>						
Donations and gifts	3	1,970,447	-	34,992	2,005,439	2,198,004
Gifts in kind	4	1,307,504	-	-	1,307,504	934,744
Activities for generating funds	5	1,093,283	-	-	1,093,283	1,030,005
Investments	6	14,227	-	-	14,227	18,060
Total income		4,385,461	-	34,992	4,420,453	4,180,813
<u>Expenditure on:</u>						
Raising funds	7	847,569	-	-	847,569	813,476
Charitable activities	8	2,863,965	871,007	49,318	3,784,290	2,965,341
Total resources expended		3,711,534	871,007	49,318	4,631,859	3,778,817
Net incoming/(outgoing) resources before transfers		673,927	(871,007)	(14,326)	(211,406)	401,996
Gross transfers between funds		(236,869)	236,869	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		437,058	(634,138)	(14,326)	(211,406)	401,996
Fund balances at 1 January 2016		1,790,227	1,371,007	70,750	3,231,984	2,829,988
Fund balances at 31 December 2016		2,227,285	736,869	56,424	3,020,578	3,231,984

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	12		19,309		12,032
Investments	13		1		1
			<u>19,310</u>		<u>12,033</u>
Current assets					
Debtors	15	360,563		289,922	
Cash at bank and in hand		2,911,855		3,146,526	
		<u>3,272,418</u>		<u>3,436,448</u>	
Creditors: amounts falling due within one year	16	(271,150)		(216,497)	
Net current assets			<u>3,001,268</u>		<u>3,219,951</u>
Total assets less current liabilities			<u>3,020,578</u>		<u>3,231,984</u>
Income funds					
Restricted funds	17		56,424		70,750
<u>Unrestricted funds</u>					
Designated funds	19	736,869		1,371,007	
General unrestricted funds		<u>2,227,285</u>		<u>1,790,227</u>	
			<u>2,964,154</u>		<u>3,161,234</u>
			<u>3,020,578</u>		<u>3,231,984</u>

The accounts were approved by the Trustees on28/6/17

Stephen Allan
Trustee

Company Registration No. 4860607

RAYS OF SUNSHINE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(236,022)		435,229
Investing activities					
Purchase of tangible fixed assets		(12,876)		(6,464)	
Interest received		14,227		18,060	
Net cash generated from investing activities			1,351		11,596
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(234,671)		446,825
Cash and cash equivalents at beginning of year			3,146,526		2,699,701
Cash and cash equivalents at end of year			2,911,855		3,146,526

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Charity 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

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

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.

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.

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

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.

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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 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 2016

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. The trustees do not believe that there are any critical accounting estimates that need to be disclosed.

3 Donations and gifts

	Unrestricted funds general £	Restricted funds £	Total 2016 £	Total 2015 £
Donations and gifts	1,970,447	34,992	2,005,439	2,198,004
For the year ended 31 December 2015	2,127,254	70,750		2,198,004

4 Gifts in kind

	2016 £	2015 £
Events	193,062	143,685
Direct charitable activities	1,094,362	776,262
Governance costs	20,080	14,797
	1,307,504	934,744
Direct charitable activities		
Rent and related costs	175,305	144,280
Wishes	440,147	325,049
Advertising	447,046	284,738
Printing	22,790	20,683
Computer services	9,074	1,512
	1,094,362	776,262

The charity received donations in kind valued at £1,307,504 (2015: £934,744) 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 2016**

5 Activities for generating funds

	2016	2015
	£	£
Non-charitable trading activities	1,093,283	1,030,005

6 Investments

	2016	2015
	£	£
Interest receivable	14,227	18,060

7 Raising funds

	2016	2015
	£	£
<u>Events and fundraising costs</u>		
Staging fundraising events	412,000	445,038
Advertising	103,378	88,163
Other fundraising costs	28,587	23,800
Staff costs	303,604	256,475
Events and fundraising costs	847,569	813,476
	847,569	813,476
For the year ended 31 December 2015		
Events and fundraising costs		813,476

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.

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

8 Charitable activities

	Unrestricted funds expenditure £	Restricted funds expenditure £	Total £	2015 £
Staff costs	483,087	-	483,087	398,300
Depreciation and impairment	5,599	-	5,599	6,036
Wishes	1,976,945	49,318	2,026,263	1,756,679
Other office costs	273,573	-	273,573	221,843
Wishes - designated	871,007	-	871,007	515,000
	<u>3,610,211</u>	<u>49,318</u>	<u>3,659,529</u>	<u>2,897,858</u>
Share of governance costs (see note 9)	124,761	-	124,761	67,483
	<u>3,734,972</u>	<u>49,318</u>	<u>3,784,290</u>	<u>2,965,341</u>
Analysis by fund				
Unrestricted funds designated funds	2,863,965	-	2,863,965	
Restricted funds	871,007	-	871,007	
	-	49,318	49,318	
	<u>3,734,972</u>	<u>49,318</u>	<u>3,784,290</u>	
For the year ended 31 December 2015				
Unrestricted funds designated funds	2,450,341	-		2,450,341
	515,000	-		515,000
	<u>2,965,341</u>	<u>-</u>		<u>2,965,341</u>

9 Governance costs

	2016 £	2015 £	Basis of allocation
Staff costs	75,772	16,370	Staff time
Audit fees	11,668	11,524	Specific cost
Accountancy	34,081	39,589	Specific cost
Legal and professional	3,240	-	Specific cost
	<u>124,761</u>	<u>67,483</u>	
Analysed between Charitable activities	<u>124,761</u>	<u>67,483</u>	

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

10 Trustees

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

11 Employees

Number of employees

The average monthly number employees during the year was:

	2016	2015
	Number	Number
Provision of wishes and fundraising	25	21

Employment costs

	2016	2015
	£	£
Wages and salaries	762,430	608,787
Social security costs	80,194	62,358
Other pension costs	19,839	-
	<u>862,463</u>	<u>671,145</u>

The key management personnel of the charity, comprise the trustees, the Chief Executive Officer, Finance Officer, Head of Wish Operations and Head of Communications and Development. The total employee benefits of the key management personnel of the Charity were £186,946 (2015: £204,437).

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

	2016	2015
	Number	Number
£110,000 - £120,000	1	-
£130,000 - £140,000	-	1

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

12 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2016	84,592
Additions	12,876
	<u>97,468</u>
At 31 December 2016	
Depreciation and impairment	
At 1 January 2016	72,560
Depreciation charged in the year	5,599
	<u>78,159</u>
At 31 December 2016	
Carrying amount	
At 31 December 2016	19,309
	<u>12,032</u>
At 31 December 2015	

13 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2015 & 31 December 2015	1
	<u>1</u>
Carrying amount	
At 31 December 2016	1
	<u>1</u>
At 31 December 2015	

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.

	Notes	2016 £	2015 £
Other investments comprise:			
Investments in subsidiaries	21	<u>1</u>	<u>1</u>

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Financial instruments	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	229,967	177,919
Equity instruments measured at cost less impairment	1	1
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	271,150	216,497
	<u> </u>	<u> </u>
15 Debtors	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	166,283	78,663
Other debtors	63,684	99,256
Prepayments and accrued income	130,596	112,003
	<u> </u>	<u> </u>
	360,563	289,922
	<u> </u>	<u> </u>
16 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	144,983	92,835
Other creditors	59,455	24,741
Accruals and deferred income	66,712	98,921
	<u> </u>	<u> </u>
	271,150	216,497
	<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 2016	Movement in funds		Balance at 31 December 2016
	£	Incoming resources	Resources expended	£
Specific wishes	70,750	34,992	(49,318)	56,424
	<u> </u>	<u> </u>	<u> </u>	<u> </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 2016

18 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2016 are represented by:				
Tangible assets	19,309	-	-	19,309
Investments	1	-	-	1
Current assets/(liabilities)	2,207,975	736,869	56,424	3,001,268
	<u>2,227,285</u>	<u>736,869</u>	<u>56,424</u>	<u>3,020,578</u>

19 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 2016 £	Movement in funds			Balance at 31 December 2016 £
		Incoming resources £	Resources expended £	Transfers £	
Wishes	871,007	-	(871,007)	736,869	736,869
Capital project	500,000	-	-	(500,000)	-
	<u>1,371,007</u>	<u>-</u>	<u>(871,007)</u>	<u>236,869</u>	<u>736,869</u>

During the year, the trustees decided they will designate funds to cover all the wishes approved but not fulfilled.

20 Related party transactions

There were no disclosable related party transactions during the year (2015- none).

21 Subsidiaries

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

Details of the charity's subsidiaries at 31 December 2016 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 United Kingdom	Dormant	Ordinary	100.00	

RAYS OF SUNSHINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

22	Cash generated from operations	2016	2015
		£	£
	(Deficit)/surplus for the year	(211,406)	401,996
	Adjustments for:		
	Investment income recognised in profit or loss	(14,227)	(18,060)
	Depreciation and impairment of tangible fixed assets	5,599	6,036
	Movements in working capital:		
	(Increase) in debtors	(70,641)	(28,114)
	Increase in creditors	54,653	73,371
	Cash (absorbed by)/generated from operations	(236,022)	435,229
