

# **The Merlin Magic Wand Children's Charity**

## **Trustee's Report and Charity Accounts**

Financial period ended  
**30 December 2023**

Registered Charity Number: 1124081

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## Trustee's Report

### Report of the Trustee for the period ended 30 December 2023

The Trustee is pleased to present the annual report together with the financial statements of The Merlin's Magic Wand Children's Charity (the Charity) for the financial period ended 30 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### Objectives and activities for the public benefit

Merlin's Magic Wand supports children facing challenges of serious illness, disability, or adversity. The Charity believes that every child deserves to laugh, enjoy, and cherish memorable experiences and its mission is to enable them to access the magic of Merlin (Merlin). The Charity makes this fun accessible to children with three programmes:

- **Magical Days Out**

Through our Magical Days Out programme, families have a chance to create long-lasting memories and take valuable time out of their stressful daily routines. The Charity provides tickets and funds travel grants, to allow families to enjoy their day at a Merlin attraction.

Success is measured by the number of tickets distributed.

- **Merlin's Magic on Tour**

Working with our local communities at hospitals, schools and hospices, Magic on Tour enables the attraction teams to bring some of the Merlin magic to children wherever they are.

Success is measured by the number of visits made and the number of children reached through these activities.

- **Merlin's Magic Spaces**

By designing and creating amazing projects in hospitals, orphanages, learning centres and more, Merlin's Magic Spaces ensures that local children who are prevented from visiting the attractions due to severe illness, physical disability or other exceptional circumstances still have the opportunity to experience the unique magic of Merlin.

Success is measured by the number of projects successfully installed.

The Trustee confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant-making policy for the period.

### Achievements and Performance

#### Magical Days Out

The letters of thanks we receive serve only to remind us of the impact a Magical Day Out can have:

"I would just like to say a big thank you to Merlin's Magic Wand Charity, for Ava's experience. Myself, Ava, her twin brother and family enjoyed our day out. Ava was absolutely in love with the soothing sounds of the music and loves watching the fishes swim around. She laughed and smiled, she enjoyed it that much, halfway through she was so relaxed and calm she ended up falling asleep! ... Again, thank you so much!"

"I just wanted to say a huge thank you to you all for organising for my family to have the most amazing day out at Alton Towers. We went to Alton Towers last Saturday and we had the most wonderful day. My son, Matthew loved every minute in CBeebies Land that they have there. He was able to be himself and absolutely loved the rides that he went on. This is a trip that we wouldn't have been able to afford if it wasn't for your Charity and we have made memories that will last a life time."

## Trustee's Report (continued)

Tickets for Magical Days Out were offered to 49,747 children, their families, and carers during the period (2022: 43,511).

The tickets for these days out continue to be provided by Merlin and Merlin's Magic Wand offers all applicants optional financial support towards their travel costs. Grants totalling £77,864 (2022: £26,965) were awarded this period as well as £402 (2022: £312) worth of enhancement initiatives - mainly in the form of digital photo vouchers - for those families where the child or parent has a life-limiting condition, to make their day out more special and memorable.

We will continue to evolve and adapt to ensure that we are ready to bring the magic to children and families in a more efficient way than before. We have focussed on reviewing our processes to improve efficiencies with a focus on the implementation of the Salesforce platform. Following the implementation of a bespoke Salesforce system in October 2022, we were able to meet a higher demand for tickets in 2023 in a more efficient way. We continued learning about the platform's capabilities to enable us to be even more efficient going forward, as well as ensuring that the applications team is appropriately resourced to ensure that our beneficiaries experience optimum service levels.

We have moved from a cheque-based travel contribution model to a Beneficiary Self-Management System with HSBC, enabling beneficiaries to receive their travel contributions quickly and securely via BACS transfer.

### Merlin's Magic Spaces

In August 2023, a project manager was recruited on an 18-month secondment to kickstart the paused Merlin's Magic Spaces projects. The Charity team remained in touch with the project partners to explain the next steps and manage their expectations about when the projects would resume.

Design work progressed for the Istanbul and Beijing projects in 2023, and the Charity plans to complete these projects in 2024, as well as the projects in Bray and London. There has been no progress with the Magic Space in the Bradley Lowery Foundation's home in 2023, as the main building works are ongoing. Based on the partner's projected timescales, we expect to have completed this project by June 2025.

The Magic Spaces we currently have planned are:

Country	Location	Type
Scarborough, UK	Bradley Lowery Foundation	Playrooms
Istanbul, Turkey	Tohum Turkey Autism Early Diagnosis and Educational Foundation	Playroom
London, UK	St Ann's SEN School	Living room
Dublin, Ireland	National Rehabilitation Hospital	Mobile Unit
Beijing, China	Women's Federation of Dongcheng	Playrooms

The impact of our Magic Spaces projects continues to be significant for the families that use the spaces within our Charity partner facilities. Following the audit of previously completed projects in 2022 to check whether any repairs or maintenance were required, some repairs and maintenance have subsequently been completed or scheduled for the projects that required it, and an annual check-in will continue in the 2<sup>nd</sup> quarter of each period.

## Trustee's Report (continued)

Irena Setnik, Executive Director of Silver Creek Preschool in Toronto, where one of our 2019 projects was completed, commented:

"Thank you so much for reconnecting with us to ask about the condition of our Merlin's Magic Space. It was in need of some minor repairs and Jimmy and Rene did a great job of the restoration. Fixing the slide has made a huge difference in the children's safety and all the touch ups have made the gym amazing! We really appreciate you taking the time to check in and ensure that all was well. On behalf of the children, I offer our heartfelt thanks... We are grateful for the far reaching work that Merlin's Magic Wand does. We know our children enjoy the space immensely! Thank you again, Irena"

We are grateful for Merlin's and our suppliers' continued enthusiasm and commitment to providing goods and services either free of charge or at a reduced cost, allowing us to maximise the impact of our investment in these projects.

### Merlin's Magic on Tour

The aim of this programme is not only to give children the opportunity to experience some 'Merlin Magic' but also to give Merlin employees the opportunity to experience first-hand the difficulties that some children are facing and the difference these visits can make to their lives.

These visits remain popular and the introduction of a Global Volunteer Policy at Merlin in June 2023, which was led to fruition by the Charity team, is helping to increase participation in this activity across the globe. We reached 4,558 (2022: 11,488) children in 2023 and were pleased to have welcomed between 180 – 220 people across Merlin, including Merlin's CEO and some members of the Merlin Exec and senior leadership teams, to volunteer for this activity during the period. Our thanks go to many of the attractions who support this programme without requesting support grants, providing their time and equipment as a donated service.

"I thought it was a great experience for all who attended, the time didn't feel rushed at all and the characters took the time to fully engage with the patients, I hope this is something we can continue every year." - Sarah Montgomery, Play Specialist at the Evelina Ward, St. Thomas Hospital, London

"Thank you to the Gruffalo for visiting the children on the ward, it's been an extra special afternoon with lots of smiles not just from the children but their families and all the team on the ward. Some children find it hard being in hospital so close to Christmas so this was a lovely surprise." - Rosanne Norman, Health Play Specialist at Blackpool Teaching Hospitals.

The Charity's key performance indicators are summarised below:

		Outcome 2023	Outcome 2022
<b>Magical Days Out</b>	Tickets	49,747	43,511
<b>Merlin's Magic Spaces</b>	Projects	76,482	-
<b>Merlin's Magic on Tour</b>	Visits	30	16
<b>Merlin's Magic on Tour</b>	Children	4,558	11,488

We are proud to confirm that, since the Charity's conception up until the end of 2023, the Charity has reached over 421,000 children through Merlin's Magic Spaces, over 820,000 children and families through Magical Days Out and over 51,000 children through Magic on Tour, resulting in an overall reach of over 1,292,000 children and families globally in the 14-year period since the Charity launched in 2008.

## Trustee's Report (continued)

### Financial Review

Total income for the period was £1,704,771 (2022: £1,301,203) an increase of £403,568 (31%) compared to last period. Merlin attractions have continued to support the Charity fundraising throughout the period and donations increased from £266,814 in 2022 to £542,634 in 2023.

Total income from donated goods and services was £1,157,685 (2022: £1,019,724). We are grateful to Merlin for its continuing support of our activities. In 2023 100% (2022: 99%) of the donated goods and services in the period, totalling £1,157,685 (2022: £1,019,131), were from Merlin and its subsidiaries. As well as the support for Magical Days Out, Merlin's Magic Spaces and Merlin's Magic on Tour, the fundraising events are delivered at a discounted rate, a proportion of the salaries of the Charity's employees are covered by Merlin and office space for the Charity's employees is provided at no cost.

The Charity follows sector best practices and guidelines, as set out in the Code of Fundraising Practice, and requests that those fundraising on its behalf do so as well. Merlin attractions report to the Charity regularly to allow monitoring of fundraising activities and behaviour. The Charity does not use professional fundraisers or commercial participators. No complaints have been received by the Charity regarding its fundraising activity. The Charity does not, nor do those acting on its behalf, undertake fundraising activities that put vulnerable people and others at risk of unreasonable intrusion on a person's privacy, unreasonable persistent approaches, or undue pressure to give.

Total expenditure on charitable activities increased by 16% to £1,506,952 (2022: £1,300,388). The percentage of total expenditure on charitable activities increased to 94%, compared to 93% in 2022. The proportion of expenditure on Magical Days Out this period decreased to 91% of total charitable expenditure (2022: 92%). The proportion of expenditure on Merlin's Magic Spaces increased to 8% (2022: 7%). Merlin's Magic on Tour accounted for the remaining 1% (2022: 1%) of expenditure.

The net increase in funds in the period was £92,980 (2022: decrease £99,402). Closing reserves remain well above the policy level, however it is recognised that ongoing expenditure needs to be carefully budgeted and monitored to ensure the reserves policy continues to be met.

### Risk Management

The Charity recognises that risk management is an essential part of good business practice and has developed a robust Risk Register which provides a comprehensive overview of the identified risks in all aspects of its work, outlines the actions required to mitigate those risks and states the timescales in which the actions are expected to be implemented. Processes for strategic and operational planning, performance management, decision-making, and project management are being developed as part of the action planning. Risk management is the responsibility of the Trustee supported by the directors and officers of the Trustee Company.

The Charity benefits from the broad-ranging professional skills of the directors and officers of the Trustee Company, the members of the Management Committee and, as required, draws on the skills of other Merlin employees and advisors, who have considerable experience in business and risk management and who apply these skills to ensure that risk exposure to the Charity is both minimised and, where retained, is managed effectively.

## Trustee's Report (continued)

The process to identify and document the major risks to which the Charity is exposed was ongoing during the period. Regular review and assessment of these risks will take place ensuring systems are established to mitigate the identified risks.

### Reserves Policy

The Charity has established healthy reserves and it is the Trustee's intention and responsibility to ensure that it continues to work within its means. However, the Trustee is also confident in committing to the planned strategy and programme of activities because of the current level of reserves. At the end of 2023 free reserves total £504,887 (2022: £368,197).

The Charity targets having sufficient free reserves to meet all budgeted expenditures for a period of 9 months. The level of free reserves is reviewed quarterly considering planned expenditures over the upcoming 3 months. The Charity has had no issues meeting its reserves policy during the period or at period-end.

If reserves fall below £100,000, the Trustee will consider other sources of fundraising to maintain this level. Merlin continues their support of the Charity, which it sees as a key part of its community activities. Reserves above this target level will be considered for investment in line with the investment policy.

### Investment Policy

At the present time, there are no investments, and all funds are held in a current cash account. The Trustee will be looking to establish suitable financial facilities so that an appropriate return is made on any funds not required for short-term operational and grant provision requirements.

### Plans for Future Periods

It is Merlin's Magic Wand's continuing desire to have a positive impact on the lives of children facing challenges of serious illness, disability, or adversity in the locality of every single Merlin attraction and its goal remains to ensure the maximum number of children have access to the fun that the Charity can offer through its three charitable programmes. In terms of future strategic direction, the Charity management team took the opportunity to review the Charity's overall strategy to 2030 during early 2024 and the new strategic framework will focus on Impact, Support, and Connect models to reach the outcomes that will make a greater positive difference in the communities where Merlin operates.

## Trustee's Report (continued)

Three key focus areas are:

- Using beneficiary feedback from post-visit surveys to improve the Magical Days Out ticketing and travel grant process and offering.
- Exploring how we can leverage the new Global Volunteering Policy at Merlin to increase Magic on Tour participation to benefit more children and families
- Diversifying income streams with corporate partners and online fundraising opportunities

### Reference and administrative details

Charity Name	The Merlin Magic Wand Children's Charity
Also known as	Merlin's Magic Wand
Charity Number	1124081
Principal office	Link House, 25 West Street, Poole, Dorset, BH15 1LD
Auditor	Forvis Mazars LLP, Floor 5, Merck House, Seldown Lane, Poole, Dorset, BH15 1TW
Banker	HSBC Bank plc, 26 Broad Street, Reading, Berkshire RG1 2BU

### The Board of Trustees

The Trustee that served during the period and since the period-end was Merlin's Magic Wand Trustees Limited, a company incorporated in England with company number 6511344 and registered address at Link House, 25 West Street, Poole, Dorset BH15 1LD.

The directors and officers of the Trustee Company during this period and as at the date of this report were as follows:

<b>Directors</b>	Matthew Jowett	
	Justin Platt	resigned 5 <sup>th</sup> July 2023
	Robert Martin	

<b>Secretary</b>	Fiona Rose
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The Trustee delegates day-to-day management of the Charity to the Charity Manager. At the date of this report, the Charity Manager was Erin Scoular (nee Woods), reporting into Claire Lawson, who is the interim Diversity, Inclusion and Accessibility Director for Merlin.

### Structure, Governance and Management

The Merlin Magic Wand Children's Charity is a registered Charity (registered number 1124081). The Charity was established under a Trust Deed dated 25 February 2008. The governing document is the Trust Deed. The Trustee was appointed pursuant to the Trust Deed with effect from 25 February 2008.

### Trustee induction and training

The Trustee and the directors and officers of the Trustee Company are aware of their legal obligations under Charity law, the content of the Charity's governing document, the Charity Governance Code, the committee and decision-making processes, the Charity's plan, and its recent financial performance. They are all encouraged to keep fully up to date with the latest Charity Commission directives.



## Trustee's Report (continued)

### Organisation

The Trustee is responsible for ensuring the Charity is managed in accordance with the Trust Deed and charitable purposes. The Trustee directors meet at least twice per period to receive a report from the Charity Manager to review the charity's progress and performance. This review covers all aspects of the Charity, including the number of applications for support, the number of children assisted, fundraising, and financial performance.

The Trustee is supported by a Management Committee that oversees the day-to-day management of the Charity and the implementation of the Charity Business Plan. The Management Committee members during this period and as of the date of this report were:

### Chairman

Matthew Jowett	Director, Merlin's Magic Wand Trustees Limited
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### Members

Fru Hazlitt	Independent member
Mark Fisher	Independent member – appointed 20 <sup>th</sup> March 2023
Sheilitha Williams	Independent member – appointed 1 <sup>st</sup> August 2023
Robert Martin	Director, Merlin's Magic Wand Trustees Limited
Justin Platt	Director, Merlin's Magic Wand Trustees Limited – resigned 5 <sup>th</sup> July 2023
Emma Pankhurst	HR Director, Merlin Entertainments Group

The Management Committee members were supported during this period and as of the date of this report by:

### Support

Sandra Sheahan	Diversity Inclusion & Accessibility Director, Merlin Entertainments Group - maternity leave from 1st June 2024
Claire Lawson	Diversity Inclusion & Accessibility Director, Merlin Entertainments Group - appointed 10 <sup>th</sup> June 2024
Erin Scoular (nee Woods)	Charity Manager, The Merlin's Magic Wand Children's Charity
Dean Farmer	Charities Finance Director, Merlin's Magic Wand – resigned 10 <sup>th</sup> March 2023
Fleur Walton	Charities Finance Director, Merlin's Magic Wand – appointed 1 <sup>st</sup> April 2023

In November 2017 a Memorandum of Understanding was signed with Merlin's Magic Wand Foundation a 501(c)(3) registered California Public Benefit Corporation agreeing that collaborative working is potentially in the best interest of each party and to facilitate this a Joint Management Committee would be established. The Chairman and members of this joint committee are the Chairman and members of Merlin's Magic Wand Management Committee plus a representative from Merlin's Magic Wand Foundation and supported by the Foundation Manager. During the period, the representative for Merlin's Magic Wand Foundation is Scott Maupin, Board member of Merlin's Magic Wand Foundation and supported by Alyson Barber, the Foundation Manager.

The Charity Manager is responsible for day-to-day operations and decision-making.

The Trustee considers the members of the Management Committee as comprising the key management personnel of the Charity. Only the Charity Manager and the Charities Finance Director receive any remuneration from the Charity; the other members of the Management Committee give of their time freely. The remuneration is reviewed annually in line with Merlin's remuneration procedures and is usually increased in line with the cost of living. It is also benchmarked against industry standards to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

## Trustee's Report (continued)

### Related parties

The directors and officers of the Trustee Company, the members of the Management Committee and the Charity staff are all employees or directors of companies within Merlin, apart from Fru Hazlitt, Mark Fisher and Sheilitha Williams, but always act only in the interests of the Charity. In line with the Trust Deed, any potential conflict of interest in relation to any matters for discussion or decisions of the Trustee must be declared and if required, the person with the conflict takes no part in the discussion of the matter in question and may not vote on that matter. All members have signed a declaration of interest document.

### Going concern

In determining whether the Charity's financial statements can be prepared on a going concern basis, the Trustee and the members of the Management Committee considered the Charity's planned charitable activities, together with the factors likely to affect its future development, performance, and position; these are set out in the 'Plans for Future Periods' section above.

The Charity expects that Merlin will continue to provide tickets for Magical Days Out as a gift-in-kind. The Charity undertakes fundraising to provide the Magical Days Out travel grants and support Merlin Magic Spaces.

The Charity's current forecasts and projections, taking account of reasonably possible changes in operating performance, show that the Charity should be able to continue within the level of its current cash resources.

As at the date of this report, the Trustee has a reasonable expectation that the Charity has adequate resources to continue operating for the foreseeable future. Thus, the Charity continues to adopt the going concern basis of accounting in preparing the annual financial statements.

### Post balance sheet events

There are no new post-balance sheet events.

### Disclosure of information to auditor

The Trustee Directors who held office at the date of approval of this Trustee's report confirms that, so far as they are aware, there is no relevant audit information of which the Charity's auditor is unaware; and the Trustee Directors have taken all the steps that they ought to have taken as a Trustee Director to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

On behalf of Merlin's Magic Wand Trustees Limited on 26 July 2024.

DocuSigned by:

*Robert Martin*

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**Robert Martin**

Director

Link House

25 West Street

Poole

Dorset

BH15 1LD

## Statement of Trustee's Responsibilities

The Charities Act 2011 requires the Trustee to prepare their Report and financial statements in accordance with UK Accounting Standards (United Kingdom Generally Accepted Accounting Practices). The Trustee must not approve the financial statements unless they are satisfied these give a true and fair view of the Charity's affairs, incoming resources and the application of those resources. In preparing these financial statements, the Trustee has complied with these requirements.

The Trustee is also responsible for keeping adequate accounting records, which are sufficient to show and explain the Charity's transactions; disclose with reasonable accuracy at any time the Charity's financial position and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed.

They are also responsible for safeguarding the Charity's assets, and hence for taking reasonable steps to prevent or detect fraud and other irregularities. The Trustee has complied with these provisions. The Charity received an unqualified audit in 2023.

## Independent auditor's report to the Trustee of The Merlin Magic Wand Children's Charity

### Opinion

We have audited the financial statements of The Merlin Magic Wand Children's Charity (the 'Charity') for the period ended 30 December 2023 which comprise Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 December 2023 and of its income and expenditure for the period 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 Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Trustee's Report other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the Trustee's report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Independent auditor's report to the Trustee of The Merlin Magic Wand Children's Charity (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustee**

As explained more fully in the Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

## **Independent auditor's report to the Trustee of The Merlin Magic Wand Children's Charity (continued)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Charities Act 2011.

In addition, we evaluated the trustee and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustee and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

## Independent auditor's report to the Trustee of The Merlin Magic Wand Children's Charity (continued)

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

This report is made solely to the Charity's Trustee as a body in accordance with section 144 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an auditor's 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 Charity and the Charity's Trustee as a body for our audit work, for this report, or for the opinions we have formed.

  
Stephen Mills (Jul 31, 2024 15:13 GMT+1)

Stephen Mills (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor  
5<sup>th</sup> Floor, Merck House  
Seldown Lane  
Poole BH15 1TW

Date: July 2024

## Statement of Financial Activities

Period ended 30 December 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
<b>Income and endowments from</b>							
Donations	2	594,873	1,105,446	1,700,319	319,421	967,117	1,286,538
Other trading activities	2	4,452	-	4,452	14,665	-	14,665
<b>Total income</b>	<b>2</b>	<b>599,325</b>	<b>1,105,446</b>	<b>1,704,771</b>	<b>334,086</b>	<b>967,117</b>	<b>1,301,203</b>
<b>Expenditure on Raising Funds</b>							
Donations	3	57,707	-	57,707	70,742	-	70,742
Other trading activities	3	42,395	-	42,395	32,772	-	32,772
	<b>3</b>	<b>100,102</b>	<b>-</b>	<b>100,102</b>	<b>103,514</b>	<b>-</b>	<b>103,514</b>
<b>Charitable activities</b>							
Magical Days Out	3	267,074	1,104,896	1,371,970	235,303	958,192	1,193,495
Merlin's Magic Spaces	3	77,402	39,868	117,270	87,739	125	87,864
Merlin's Magic on Tour	3	13,320	4,392	17,712	14,359	4,670	19,029
	<b>3</b>	<b>357,796</b>	<b>1,149,156</b>	<b>1,506,952</b>	<b>337,401</b>	<b>962,987</b>	<b>1,300,388</b>
<b>Total expenditure</b>	<b>3</b>	<b>457,898</b>	<b>1,149,156</b>	<b>1,607,054</b>	<b>440,915</b>	<b>962,987</b>	<b>1,403,902</b>
<b>Net income / (expenditure)</b>		<b>141,427</b>	<b>(43,710)</b>	<b>97,717</b>	<b>(106,829)</b>	<b>4,130</b>	<b>(102,699)</b>
<b>Other recognised (losses) / gains</b>							
Other recognised (losses) / gains		(4,737)	-	(4,737)	3,297	-	3,297
<b>Net Movement in Funds</b>		<b>136,690</b>	<b>(43,710)</b>	<b>92,980</b>	<b>(103,532)</b>	<b>4,130</b>	<b>(99,402)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		368,197	63,658	431,855	471,729	59,528	531,257
<b>Total funds carried forward</b>		<b>504,887</b>	<b>19,948</b>	<b>524,835</b>	<b>368,197</b>	<b>63,658</b>	<b>431,855</b>

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

Income and resulting net movement in funds each period arises from continuing operations.



## Balance Sheet

As at 30 December 2023

		2023 £	2022 £
	Notes		
<b>Fixed Assets</b>			
Tangible assets	10	4,635	-
<b>Current assets</b>			
Debtors	11	242,176	96,731
Cash at bank and in hand		561,314	640,677
<b>Total current assets</b>		<b>803,490</b>	<b>737,408</b>
<b>Liabilities</b>			
Creditors falling due within one year	12	(283,290)	(305,553)
<b>Net current assets</b>		<b>520,200</b>	<b>431,855</b>
<b>Total net assets</b>		<b>524,835</b>	<b>431,855</b>
<b>The funds of the charity</b>			
Restricted income funds	13	19,948	63,658
Unrestricted funds	13	504,887	368,197
<b>Total charity funds</b>	<b>13</b>	<b>524,835</b>	<b>431,855</b>

Apart from £19,948 relating to Merlin Magic Spaces (£14,398 from a postponed fundraising event, £5,000 for the Bradley Lowery Centre and £550 for Turkey), all other balance sheet items and reserves for 2023 form part of unrestricted funds.

Notes on pages 17 to 28 form part of the financial statements.

These accounts were approved by the Trustee on 26 July 2024 and are signed on its behalf by:

DocuSigned by:

*Robert Martin*

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**Robert Martin**  
Director

**Statement of Cash Flows**

Period ended 30 December 2023

		<b>Total Funds 2023 £</b>	<b>Total Funds 2022 £</b>
	Notes		
<b>Cash flows from operating activities</b>			
Net cash (utilised) / generated from operating activities	14	<b>(73,359)</b>	<b>55,602</b>
<b>Cash flows provided by investing activities</b>			
Purchase of property, plant and equipment		<b>(6,004)</b>	<b>-</b>
<b>Net cash provided by investing activities</b>		<b>(6,004)</b>	<b>-</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(79,363)</b>	<b>55,602</b>
Cash and cash equivalents at the beginning of the year		640,677	585,075
<b>Cash and cash equivalents at the end of the year</b>		<b>561,314</b>	<b>640,677</b>

## Notes to the Financial Statements (forming part of the accounts)

### 1 Accounting policies

#### a. Basis of preparation of accounts

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom, Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The Trustee considers there are no material uncertainties about the Charity's ability to continue as a going concern. The Charity expects that Merlin will continue to provide tickets for Magical Days Out as a gift-in-kind. The Charity undertakes fundraising to provide the Magical Days Out travel grants and support Merlin Magic Spaces.

#### b. Income recognition

<b>Recognition of income</b>	Income is included in the Statement of Financial Activities (SoFA) when: <ul style="list-style-type: none"> <li>the Charity becomes entitled to the income</li> <li>it is probable that the Charity will receive the income; and</li> <li>the amount of income receivable can be measured reliably</li> </ul>
<b>Income with related expenditure</b>	Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the SoFA.
<b>Grants and donations</b>	Grants and donations are only included in the SoFA when the Charity has unconditional entitlement to the resources.
<b>Tax reclaims on donations and gifts</b>	Income from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
<b>Contractual income and performance related grants</b>	This is only included in the SoFA once the related goods or services have been delivered.
<b>Gifts in kind</b>	Gifts in kind are accounted for at a reasonable estimate of their value to the Charity or the amount actually realised. Gifts in kind for use by the Charity are included in the SoFA as incoming resources when receivable.
<b>Donated services and facilities</b>	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the Charity of the service or facility received.

**Notes to the Financial Statements (continued)****1 Accounting policies (continued)****c. Expenditure and liabilities**

<b>Liability recognition</b>	Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Tickets and grants for travel costs are recognised once the Charity has approved the application and requested the tickets from the attraction.
<b>Expenditure recognition</b>	All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. More information on this is given in note (i) below.
<b>Grants with performance conditions</b>	Where the Charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.
<b>Grants payable without performance conditions</b>	These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the Charity.
<b>Financial Instruments</b>	The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

**d. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand. Where the cash balances are in a currency other than the presentation currency, they are translated at the exchange rate at the end of the reporting period.

**e. Foreign currency transactions**

Foreign currency transactions are recorded in the accounts using the exchange rate applicable at the date of initial recognition. At the end of the reporting period:

- monetary items are translated using the closing rate
- non-monetary items measured in terms of historical costs are translated using the exchange rate at the date of the transaction
- non-monetary items that are measured at fair value are translated at the date when the fair value was determined

Exchange differences arising from translating items at a different rate to that at initial recognition are recognised in the period they arise.

**f. Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs.

## Notes to the Financial Statements (continued)

### 1 Accounting policies (continued)

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the staff time taken on carrying out these activities. The allocation of support and governance costs is analysed in note 4.

#### g. Assets and depreciation

**Tangible fixed assets for use by Charity** - These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost or a reasonable value on receipt.

**IT equipment** - Is depreciated over 3 years.

#### h. Debtors

Debtors are measured at their recoverable amounts. Where debts are in a currency other than the presentation currency, they are translated at the exchange rate at the end of the reporting period.

#### i. Fund accounting

Unrestricted funds comprise those funds which the trustee is free to use for any purpose in furtherance of the charitable objectives. Unrestricted funds include designated funds where the trustee, at their discretion, has created a fund for a specific purpose. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. Restricted funds are separately identified in the Statement of Financial Activities.

The Gift in Kind of both donated tickets and goods and services relating to outreach projects and fundraising events are treated as restricted funds as they are given for specific projects rather than for the Charity's aims as a whole.

#### j. Key judgements and estimates

In the preparation of the 2023 financial statements, it is the responsibility of both the Trustee and officers to make informed judgements and estimates in the provision of liabilities and expenses.

The Merlin Magic Wand Children's Charity acknowledges the requirements of this disclosure. As such the members and officers can clarify the key assumptions concerning the future, and other sources of estimation of uncertainty at the reporting date of 30 December 2023:

- **Gift in kind valuation** - Details of the gift in kind valuation method is shown within note 2 of the financial statements

**Notes to the Financial Statements (continued)****2 Analysis of income**

	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
<b>Income and endowments from</b>						
<b>Donations</b>						
Donations	542,084	550	<b>542,634</b>	258,014	8,800	<b>266,814</b>
Donated Goods and Services	52,789	1,104,896	<b>1,157,685</b>	61,407	958,317	<b>1,019,724</b>
	<b>594,873</b>	<b>1,105,446</b>	<b>1,700,319</b>	<b>319,421</b>	<b>967,117</b>	<b>1,286,538</b>
<b>Other Trading Activities</b>						
Fundraising Events	4,452	-	<b>4,452</b>	14,665	-	<b>14,665</b>
Donated Goods and Services	-	-	<b>-</b>	-	-	<b>0</b>
	<b>4,452</b>	<b>-</b>	<b>4,452</b>	<b>14,665</b>	<b>-</b>	<b>14,665</b>
<b>Total Income</b>	<b>599,325</b>	<b>1,105,446</b>	<b>1,704,771</b>	<b>334,086</b>	<b>967,117</b>	<b>1,301,203</b>

Merlin and its subsidiaries support the Charity in a variety of ways, gift in kind and donated services donations totalling £1,157,685 were made in 2023 (2022: £1,019,131). No cash donation was made to the Charity in 2023 (2022: £nil).

Tickets for Magical Days Out were granted to successful applicants of 49,747 children, their families, and carers during the period (2022: 43,511), from all the Merlin attractions that hosted Magical Days Out for the Charity are recognised as a gift in kind donation and corresponding grant. This donation is estimated to be worth £1,104,896 (2022: £958,172) based on the average admission revenue per guest at each attraction.

The Charity works hard to maximise the value of their Merlin's Magic Spaces projects, with suppliers and Merlin attractions often contributing goods and services for these projects either free of charge, at cost or at a discounted rate. No gift in kind and corresponding grant has been recognised for these donations in 2023 (2022: £nil).

Gift in kind and donated services from Merlin have also been recognised as a result of their support of some of the salary costs of £32,400 (2022: £39,000) as well as office costs of £20,389 (2022: £21,939), estimated as Merlin office costs per employee multiplied by the number of Merlin's Magic Wand employees working from Merlin offices. Merlin also provides various other services such as IT support, postage, and stationery. As it is difficult to reliably quantify these costs and the value is considered immaterial, they are not included in these accounts.

**Notes to the Financial Statements (continued)****3 Analysis of expenditure on activities undertaken directly**

	Activities Undertaken Directly 2023 £	Support and Governance Costs 2023 £	Total Expenditure on Charitable Activities 2023 £	Activities Undertaken Directly 2022 £	Support and Governance Costs 2022 £	Total Expenditure on Charitable Activities 2022 £
Raising Funds	17,603	40,104	<b>57,707</b>	26,780	43,962	<b>70,742</b>
Fundraising Events	12,808	29,587	<b>42,395</b>	83	32,689	<b>32,772</b>
	<b>30,411</b>	<b>69,691</b>	<b>100,102</b>	<b>26,863</b>	<b>76,651</b>	<b>103,514</b>
Magical Days Out	1,262,714	109,256	<b>1,371,970</b>	1,069,886	123,609	<b>1,193,495</b>
Merlin's Magic Spaces	39,868	77,402	<b>117,270</b>	37,908	49,956	<b>87,864</b>
Merlin's Magic on Tour	5,762	11,950	<b>17,712</b>	4,670	14,359	<b>19,029</b>
	<b>1,308,344</b>	<b>198,608</b>	<b>1,506,952</b>	<b>1,112,464</b>	<b>187,924</b>	<b>1,300,388</b>
<b>Total</b>	<b>1,338,755</b>	<b>268,299</b>	<b>1,607,054</b>	<b>1,139,327</b>	<b>264,575</b>	<b>1,403,902</b>

In total, 28% or £457,898 (2022: 31% or £440,915) of expenditure on activities undertaken directly was from unrestricted funds and 72% or £1,149,156 (2022: 68% or £962,987) from restricted funds.

## Notes to the Financial Statements (continued)

### 4 Allocation of governance and support costs

Governance and support cost are allocated based on an analysis of the amount of time staff spent on these activities. The Trustee has decided to meet all governance costs from unrestricted funds.

The breakdown of support costs and how these were allocated between governance and other support costs is as follows:

	Raising Funds	Other Trading Activities	Magical Days Out	Merlin's Magic Spaces	Merlin's Magic on Tour	Total
	2023	2023	2023	2023	2023	2023
	£	£	£	£	£	£
Salaries and other wages	30,021	22,147	81,785	57,940	8,946	200,839
Other Staff Costs	2,615	1,930	7,125	5,048	779	17,497
Office Costs	3,364	2,482	9,164	6,492	1,002	22,504
Operational Costs	1,254	925	3,417	2,421	374	8,391
Legal Costs	-	-	-	-	-	-
Audit Fees	2,850	2,103	7,765	5,501	849	19,068
<b>Total</b>	<b>40,104</b>	<b>29,587</b>	<b>109,256</b>	<b>77,402</b>	<b>11,950</b>	<b>268,299</b>

	Raising Funds	Other Trading Activities	Magical Days Out	Merlin's Magic Spaces	Merlin's Magic on Tour	Total
	2022	2022	2022	2022	2022	2022
	£	£	£	£	£	£
Salaries and other wages	30,771	22,880	86,520	34,967	10,050	185,188
Other Staff Costs	2,817	2,095	7,921	3,201	920	16,954
Office Costs	5,940	4,417	16,702	6,750	1,940	35,749
Operational Costs	1,989	1,479	5,592	2,260	650	11,970
Legal Costs	311	232	875	354	102	1,874
Audit Fees	2,134	1,586	5,999	2,424	697	12,840
<b>Total</b>	<b>43,962</b>	<b>32,689</b>	<b>123,609</b>	<b>49,956</b>	<b>14,359</b>	<b>264,575</b>



**Notes to the Financial Statements (continued)****5 Analysis of staff costs and key management personnel remuneration**

Merlin employed 11 people (2022: 11 people) who worked for the Charity during the period. A proportion of these costs are then invoiced to the Charity. The average full-time equivalent (FTE) per month across the period is 7.6 (2022: 7.2).

**The costs of those employed are allocated directly to the relevant activities.**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	225,597	194,916
Social Security Costs	23,334	22,377
Pension Costs	8,854	7,413
Other Benefits	-	1,652
<b>Total</b>	<b>257,785</b>	<b>226,358</b>

The staff members responsible for managing Magical Days Out applications do so for both the Charity and the Merlin's Magic Wand Foundation a 501(c)(3) registered California Public Benefit Corporation. The staff costs are allocated to each Charity based on the number of applications received each period. The finance staff also support both the Charity and the Merlin's Magic Wand Foundation, and their staff costs are allocated to each Charity based on the amount of time spent working on each Charity. This ensures that the financial statements accurately reflect the expenditure on charitable activities and support.

Staff costs include a VAT charge of £57,777 (2022: £44,632) resulting from the invoicing process between Merlin and the Charity.

The Trustee considers the members of the Management Committee as comprising the key management personnel of the Charity. Only the Charity Manager and the Charities Finance Director receive any remuneration from the Charity. The other members of the Management Committee give their time freely. The total employment benefits of the key management personnel were £83,053 (2022: £61,873), these include a VAT charge, resulting from the invoicing process between Merlin and the Charity of £13,842 (2022: £12,375).

No employees had employee benefits in excess of £60,000 (2022: none).

Merlin funded £32,400 (2022: £39,000) in staff costs as a donated service.

**6 Trustee remuneration**

The Trustee did not receive any remuneration or reimbursement of expenses in the period (2022: £nil).

**Notes to the Financial Statements (continued)****7 Transactions with related parties**

The Charity was set up by Merlin and the directors and officers of the Trustee Company, the Management Committee, and the Charity staff are all directors or employees of Merlin or its subsidiaries, excluding Fru Hazlitt, Mark Fisher, and Sheilitha Williams, who are now independent members of the Management Committee.

Merlin did not make a cash donation to the Charity in 2023 (2022: £nil), but the company and its subsidiaries made gift-in-kind and donated services donations totalling £1,157,685 (2022: £1,019,131).

At the reporting date, the outstanding amount owed by related parties is £214,412 (2022: £93,787).

Merlin's Magic Wand Foundation, a 501(c) (3) registered California Public Benefit Corporation, owed £62,123 (2022: £17,215) for activities paid for by the Charity on their behalf.

Accrued income representing the donations pledged by Merlin subsidiaries not received at period-end was £149,961 (2022: £25,594). Merlin subsidiaries owe £nil (2022: £8,082) in relation to amounts invoiced not yet paid.

At the reporting date the amount owed by the Charity to related parties is £256,612 (2022: £275,556). Some of this balance relates to amounts within accruals, which are yet to be invoiced. The Charity owes to Merlin £239,441 (2022: £215,161) for the reimbursement of salary and other operational costs paid for on behalf of the Charity. There were no amounts owed in respect of costs incurred on Merlin's Magic Spaces projects (2022: £nil). A further £9,697 (2022: £60,395) is owed to various subsidiaries of Merlin in respect of Merlin's Magic Wand's operational costs. The SEA LIFE TRUST was owed £32 (2022: owed to the Charity £42,897) in respect of cost recharges not yet repaid.

**8 Auditor's remuneration**

The audit fee for the period was £19,068 (including VAT) (2022: £12,840). No other fees were payable to the auditor.

**9 Taxation**

The Merlin Magic Wand Children's Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes.

**Notes to the Financial Statements (continued)****10 Tangible Fixed Assets**

	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 January 2023	9,791	9,791
Additions	6,004	6,004
	<hr/>	<hr/>
At 30 December 2023	<b>15,795</b>	<b>15,795</b>
	<hr/>	<hr/>
<b>Depreciation</b>		
At 1 January 2023	9,791	9,791
Charge for the year	1,369	1,369
	<hr/>	<hr/>
At 31 December 2023	<b>11,160</b>	<b>11,160</b>
	<hr/>	<hr/>
<b>Net Book Value</b>		
At 1 January 2023	-	-
	<hr/>	<hr/>
At 31 December 2023	<b>4,635</b>	<b>4,635</b>
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the Financial Statements (continued)****11 Analysis of debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Accrued Income	173,909	33,427
Sundry Debtors	64,016	60,112
Prepayments	4,251	3,192
	<b>242,176</b>	<b>96,731</b>

Accrued income on 30 December 2023 of £173,909 (2022: £33,427) represents donations pledged by subsidiaries of Merlin and third parties, not received at period-end.

There is no accrued income for unused Magical Days Out tickets in 2023 (2022: nil).

Sundry debtors on 30 December 2023 include £272 (2022: £17,215) owed by the Merlin Magic Wand Foundation, a 501(c)(3) registered California Public Benefit Corporation, in compensation for activities paid for by the Charity on their behalf.

All 2023 period-end debtors are unrestricted in nature (2022: unrestricted).

**12 Analysis of creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade Creditors	3,578	32,733
Sundry Creditors	-	23,415
Accruals	279,712	249,405
	<b>283,290</b>	<b>305,553</b>

Trade and sundry creditor amounts include £4,814 owed to other Merlin entities (2022: £50,184).

Accruals include £239,441 (2022: £215,161) due to Merlin for the reimbursement of salary and other operational costs paid for on behalf of the Charity. There are no accruals for unused Magical Days Out tickets in 2023. (£2022: £nil). All 2023 period-end creditors are unrestricted in nature.

**Notes to the Financial Statements (continued)****13 Summary of Fund Movements**

Designated funds are planned for use on Merlin's Magic Spaces projects on which design has already commenced.

For details of the restricted funds above, please see the descriptions on page one of the Trustee report for more information.

	<b>Fund Balances Brought Forward 2023 £</b>	<b>Income 2023 £</b>	<b>Expenditure 2023 £</b>	<b>Gains and Losses 2023 £</b>	<b>Fund Balances Carried Forward 2023 £</b>
<b>Restricted Funds</b>					
Magical Days Out	-	1,104,896	(1,104,896)	-	-
Merlin's Magic Spaces	59,266	550	(39,868)	-	<b>19,948</b>
Merlin's Magic on Tour	4,392	-	(4,392)	-	-
	<b>63,658</b>	<b>1,105,446</b>	<b>(1,149,156)</b>	-	<b>19,948</b>
<b>Unrestricted Funds</b>					
Designated	100,000	-	-	-	<b>100,000</b>
General	268,197	599,325	(457,898)	(4,737)	<b>404,887</b>
	<b>368,197</b>	<b>599,325</b>	<b>(457,898)</b>	<b>(4,737)</b>	<b>504,887</b>
<b>Total Funds</b>	<b>431,855</b>	<b>1,704,771</b>	<b>(1,607,054)</b>	<b>(4,737)</b>	<b>524,835</b>

**Notes to the Financial Statements (continued)****14 Reconciliation of net income to net cash flow provided by operating activities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Net income / (expenditure) for the reporting period</b>	<b>92,980</b>	(99,402)
<b>Adjustments for</b>		
Depreciation charges	1,369	344
(Increase) / decrease in debtors	(145,445)	1,581
(Decrease) / increase in creditors	(22,263)	153,079
<b>Net cash (utilised) / generated in operating activities</b>	<b>(73,359)</b>	<b>55,602</b>