

Company registration number: 02301610

Charity registration number: 800248

Scottish Charity registration number: SC043878

Dreams Come True Charity

(A charitable company limited by guarantee)

Annual Report and Financial Statements

for the

Year Ended 31 March 2021

Azets Audit Services Limited
Ashcombe Court
Woolsack Way
Godalming
Surrey GU7 1LQ

Dreams Come True Charity

Contents

Reference and Administrative Details	1 - 2
Chair's foreword	3 - 4
Trustees' Report	5 - 21
Statement of Trustees' Responsibilities	22
Independent Auditors' Report	23 - 26
Statement of Financial Activities	27 - 28
Balance Sheet	29
Statement of Cash Flows	30
Notes to the Financial Statements	31 - 45

Dreams Come True Charity

Reference and Administrative Details

Trustees

A Linares, Chair (from 11.9.2020)
D F Weeks, Chair (to 11.9.2020)
M J Abraham Thwaites (retired 6.11.2020)
A D Challis
P J Cryer (retired 6.11.2020)
S Foster
R L Humphrey
P W E Leoni Sceti
M McArthur
A Post
N Smith (appointed 6.11.2020)
N Taqi-Eddin
A M C Vaughan

Company Secretary

L C Govus

Key Management

R J Ashton
L C Govus
J Dallyn (from 1.9.2020 to 18.1.2021)

Royal Patron

HRH Princess Michael of Kent

Principal Office

Exchange House
33 Station Road
Liphook
Hampshire
GU30 7DW

Dreams Come True Charity

Reference and Administrative Details (Continued)

Company Registration Number 02301610

Charity Registration Number 800248

**Scottish Charity Regulator
(OSCR)** SC043878

Solicitors Bates, Wells & Braithwaite London LLP
2-6 Cannon Street
London
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Bankers Lloyds Bank
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GU32 3HL

Auditors Azets Audit Services Limited
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Dreams Come True Charity

Chair's Foreword for the Year Ended 31 March 2021

The financial year 2020/21 was a year like no other.

Coronavirus impacted the charity as it did most aspects of society; with those we seek to help suffering the most. Feelings of isolation, of being left behind, and of despair are now too familiar, and life chances impacted.

Our initial plans for 2020/21 were focussed on delivering 228 dreams with our ability to operate severely affected due to national and local lockdown restrictions, literally stopping the delivery of dreams in their tracks. The plans to gain referrals, meet with the families and physically deliver dreams were all delayed, and opportunities to undertake most fundraising curtailed. On behalf of the board, and the many recipients of our services, I'd like to thank the team for working heroically in difficult circumstances to ensure we continued to help those that needed our support.

With social distancing required for the most vulnerable, who are those that we help, coupled with the on-off lockdowns it became impossible to visit and meet with dreams families to confirm and progress their application.

The opportunity to engage with our supporters in any way other than by phone or online ceased, with instructions explicitly stating that the vast majority of our income generating activity was no longer permitted.

In March 2020, the world changed, and the charity reacted by instigating hard and fast mitigating actions, adapting, and creating new ways to deliver dreams despite the restrictions, and adopting a new way of operating.

Reflecting the reality of these barriers the budget was reforecast which resulted in the number of dreams delivered reducing to 87.

Whilst the impact of COVID-19 on the country, Dreams Come True and those we seek to help has been profound, it also afforded the charity the opportunity to step back and review what we want to achieve and how we will get there.

Over recent years we have been evolving our strategy from a focus on Traditional Dreams, delivering equipment, experiences, and travel dreams to any destination in the world to an increased focus on providing 'Hidden Communities Dreams' where we provide support that makes a difference to day-to-day life and a level of respite to seriously ill children in the most deprived communities in the UK.

At the start of the 2020/21 financial year, we forecast that, due to greatly reduced levels of funds able to be generated, we would incur a significant deficit. As such we reduced planned expenditure and implemented changes to our staff team.

Compared to the previous financial period total income earned decreased by 46% to £938,322, with expenditure reducing by 35% to £962,491.

It is a testament to the whole team that the year-end position shows a minimal deficit of £24,169 with our reserves position remaining strong.

Dreams Come True Charity

Chair's Foreword for the Year Ended 31 March 2021 (Continued)

The details are contained in these accounts and show that the plans implemented in April 2020 have borne fruit and that as a charity we have a very sustainable future.

Looking forward we have a clarity of purpose and a clear aim to support those amazing children and young people who qualify for a dream living in the UK's areas of highest deprivation.

We will deliver over 200 dreams in 2021/22, and in doing so ensure we continue to make a positive difference to the lives of those we seek to help.

A tragic by-product of the pandemic were the delays to those requiring medical treatment with levels of requests for the most urgent of dreams, for those entering the final stages of palliative care, now exceeding those we have seen before. Wherever possible we will fulfil these dreams which, by their nature, often need to be delivered within a matter of days.

The need for our services has never been more pressing and we have set a clear target of delivering 1,000 dreams a year by the end of 2024/25.



A E Linares

Chair of Trustees

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021

In 2020/21 the charity faced, as did society, a unique set of challenges due to a volatile and uncertain operational landscape, a lack of clarity as to when things might improve, and those we seek to help having to isolate for extended periods of time.

Initial actions taken, in terms of making assumptions to the impact on monies able to be raised and dreams being able to safely be delivered, were on the basis of a worst-case scenario. These were instigated in April 2020 with formal monthly reviews as a result of ever-changing challenges.

The reporting period was one of transition where the charity went from survival mode; to one where we adapted our ways of working; to ensuring we have a sustainable future; to reviewing who we could most help; to once again delivering as many dreams as we can.

The initial focus was on ensuring the charity was able to continue to operate and led to a freeze on all but essential expenditure. This also included a temporary halt to the delivery of all but a very few dreams as it was not safe to do so, while remaining in regular contact with those waiting for a dream. We realigned the dreams delivery model, to consider not only the challenges of operating in a pandemic, but to speed up and improve the delivery of dreams.

New referral partnerships were forged which allowed dreams to be identified in a faster remote working way, in a manner that widened our geographic reach, and allowed us to flex more readily to changing external circumstances. The outcome has been to dramatically improve the speed and number of dreams able to be completed.

As a result of these actions, by the third quarter, there was a high degree of confidence that the long-term sustainability of the charity was assured, levels of reserves were protected, and that the charity had the ability to deliver the dreams that it had promised.

This allowed for Trustees to review, in November 2020, the services offered and to who these would be provided to. The Hidden Communities programme, launched in 2019 had been proven to deliver a real and lasting benefit to those it supported. And whilst our traditional dreams offer was a valuable and meaningful programme, it was viewed that the more pressing and urgent need was to focus on those living in the hardest to reach, most deprived areas of the United Kingdom.

No other wish granting organisation is so singularly focussed which means the charity can ensure the maximum impact in the use of its supporter's funds.

Trustees were clear that those who had previously been offered a traditional dream should have this fulfilled in a way that took account of the ongoing restrictions to overseas travel. Having been waiting for so long it was agreed that these dreams should be fulfilled as quickly and as safely as possible and once delivered, the traditional dreams offer would be discontinued.

The Hidden Communities programme has become the charities main service offering with its reach widened to include the whole of the Northwest, the Midlands and Scotland. Plans are in place to increase the reach to encompass the whole of the United Kingdom.

In the future the charity will be primarily focussing on those dreams that deliver benefit to day-to-day life, to those living in the areas of highest deprivation wherever they are – through the provision of

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

Dreams such as mobility equipment, the improvement to a child's or young person's (CYP) home environment, or the delivery of specialist technology that can enhance the quality of their life.

We will continue to offer, where appropriate, short breaks in the United Kingdom to allow respite from the challenges of living with a serious medical condition and we will continue to provide an urgent dream for those entering the final stages of palliative care, to create lasting memories and a final wish.

Our aim is that no matter where our CYP live we will operate in a way that ensures we reach them through the development of national partnerships, the delivery of regional activity or working with the community on a local level.

Trustees are clear that in implementing our new direction of travel our ethos will remain in that every CYP will be treated with empathy, with respect, with love, and with kindness. And that each dream will be tailor made to the individual so as to ensure the maximum benefit and positive impact is delivered.

In January 2021, we started implementing the agreed plans and were able to dramatically increase the number of dreams being referred and delivered. Our objective is to continue to grow this in a planned and sustainable manner.

Additionally, and to support the refined proposition, we have updated our brand narrative, external voice, fundraising strategies, cases for support, and look and feel to ensure our purpose and the needs which we are seeking to meet are clearly and accurately presented.

OBJECTIVES & ACTIVITIES

Our Mission

Is to enrich the lives of children and young people (CYP) with serious and life-limiting conditions across the country by making their dreams come true.

What We Do

We directly support those CYP with serious or life-limiting conditions, living in the hardest to reach and most deprived areas of the UK.

Our belief is that every young person has the right to dream, no matter who they are, or where they live.

Over the past 32 years, we have supported over 6,400 CYP bringing joy, hope and inspiration to not only them, but also their families, friends, carers, and communities.

- We place our dreams families at the centre of our universe, we exist because of them.
- We have a simple goal which is to deliver tailor-made dreams that make a difference to the lives of our amazing children and young people.
- We treat every one of our families as individuals and treat each and every one with the utmost empathy and respect.
- We only want the best outcome, and we will move mountains to make a dream come true.

In everything we do, with everyone we deal with, we act in the same way – with love, care, and attention.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

These translate into our services, from a phone call to a parent, supporting the CYP, our fundraising activities, partnering with our volunteers and managing corporate donations.

We Are

It is our aim that in all our actions we are:

- Transparent – explicitly open and unambiguously clear about the processes behind the charity.
- Impactful – everything is about making a positive and lasting difference.
- Enabling – giving opportunities to those who may not have it otherwise.
- Effective – obtaining funds for equipment and experiences to the people who need it most.
- Supportive – working with families and healthcare professionals to deliver the right dreams.
- Modest – this is not about us; it is about the children and their families; we are enablers.
- Respectful – treating each person with the utmost respect and empathy.
- Resolute – bold, steady, unwavering, single-minded in making the dreams happen.

What is a Dream

Dreams are individual – it depends on who you ask. And, more importantly, where you come from. For some, it could be a trip to a sun-kissed island, or that sports car. For others, a huge house with a swimming pool.

Whereas the CYP and families we support have very different hopes and aspirations.

For them, a dream offers hope for the future. It builds strength and resilience to fight another day. It helps stop a feeling of isolation. It provides something to make everyday life more bearable. Above all it inspires confidence, a sense of wellbeing and provides treasured family memories that last long after the dream has come true.

Dreams empower. Dreams bring joy. Dreams give hope.

- This could be a tablet to help non-verbal Martin come out of his shell.
- Or a bedroom makeover to help Angel, who has spina bifida and hydrocephalus and is paralysed from the waist down to feel more at home.
- Or donating a specifically designed trike for 16-year-old Sophie living with mobility and independence challenges.
- Maybe a climbing frame for four-year-old Carson living with a serious breathing condition.

Who we support

Our drive is to help empower and provide improvements to the lives of CYP aged 5 to 18 years old, with serious illnesses or life-limiting conditions.

Unfortunately, many of these CYP are living challenging lives. Having a dream come true has a profound impact on them. Whether that be equipment or an experience, these dreams allow for improvements to day-to-day life, and for precious memories to be created.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

In the UK, it is estimated that there are more than 30,000 children and young people living in the areas of highest deprivation with serious or life limiting illnesses, all of whom qualify for and deserve a dream.

There are 18,000 children and young people aged 0-18 requiring access to end-of-life services each year.

And every month 166 children with a life-limiting condition will tragically have their lives cut short.

No other Wish Granting Organisation is singularly focussed on supporting the most disadvantaged communities in such a manner.

We strongly believe that every CYP has a right to dream, no matter who they are, or where they live. Sadly, not everyone has the opportunity to access that right and when serious or life-limiting illness occurs, the least fortunate are often left behind.

The ongoing impact of years of social disparity has exacerbated the loneliness and challenges of these young people and their families, especially those in the most deprived and disadvantaged communities across the UK.

Having a Dream Come True is empowering, enriching and helps CYP to see beyond their daily routine. This experience helps them to focus on the things they can do, improves day-to-day life, and often increases enjoyment and ambition to reach personal goals.

An example list of conditions that our dream recipients have are (please bear in mind that this is by no means exhaustive, more illustrative of the kinds of illnesses some of the brave young people have):

- Cancer
- Severe autism, learning difficulties or global developmental delay
- Heart, lung, bowel, and kidney conditions
- Degenerative neurological disorders or brain damage
- Muscular dystrophy
- Conditions affecting the immune system
- Genetic disorders

We help those 'unseen and unheard' families who desperately need our bespoke support. Those who do not have the confidence, awareness of Dreams Come True or simply the time to look for the help that can make their life better.

These families are living in the most difficult of circumstances and have CYP who are seriously ill; even thinking about a 'dream' scenario is not a priority for them.

How it works

We work exclusively with, and only manage dream referrals from, those who know the dreamers best – medical, healthcare, and social care professionals.

They know the CYP and the families better than anyone else and know more about their challenges and dreams after spending long periods of time caring for and supporting them.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

These incredible professionals include nurses, GPs, therapists, physiotherapists and other health and social care professionals, to name a few.

Using the seven Indices of Mass Deprivation we cross reference the referral with Tier 1 – 3 Lower Super Output Areas to ensure we are focusing on supporting only the most deprived and disadvantaged regions of our country.

All funds raised, all volunteering hours, all direct donations go towards making dreams come true for those most in need in the UK.

Once referred, our Dreams Team work hard to connect with the family to make sure that the dream is suitable and has the maximum impact on the life of the CYP.

For example, working closely with family members and healthcare professionals to build a bespoke adapted trike, including specific dimensions for the child and a unique fitted handlebar for parental safety.

Equally important to a CYP and their family could be a room makeover to help them feel more comfortable and at home, or sensory equipment or a tablet to give a young person with learning difficulties more confidence and the ability to connect.

We arrange everything: from transport; equipment; or builders, decorators and safety checks for a bedroom or garden makeover (which can make all the difference to their day-to-day lives).

Having the family closely involved is crucial to ensure a dream comes true, as many CYP are highly reliant on family for their day-to-day care.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

MAKING DREAMS COME TRUE

We exist to make dreams come true and we place our families at the centre of our universe. The spirit and fortitude they show in the face of many day-to-day challenges at the same time as having to deal with the restrictions imposed by COVID-19 are humbling and make us ever more determined to succeed in our objective of delivering more dreams.

2020-2021 has been a year like no other and, as a direct result of the tremendous support received and despite the restrictions imposed by COVID-19, against the odds we were able to deliver 87 dreams.

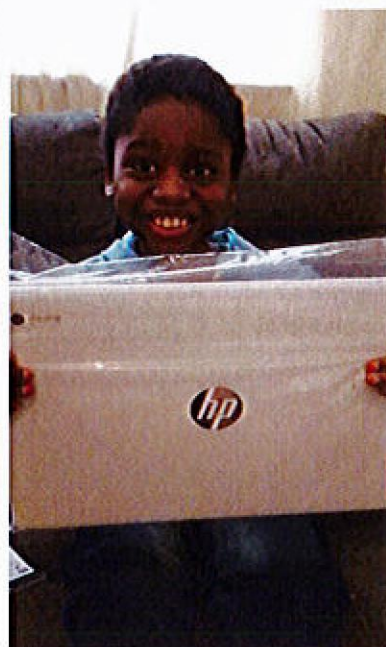
Okikola's laptop

Okikola is almost 9 years old and has sickle cell disease. This is a lifelong genetic blood disorder. He will require medication throughout childhood and the rest of his life as he is susceptible to infections that in some cases can prove life-threatening. Okikola's vulnerability means that although the lockdown is relaxing for most children, with some even returning to school, he is still unable to go on any day trips or meet with friends.

Although he had originally hoped to have a break with his family, he has been very bored at home and so he decided a laptop would be an even better dream, under the circumstances. This laptop not only means that Okikola can play games and watch his favourite Influencers on YouTube but crucially it will also enable him to keep up with his schoolwork.

Aderonke, Okikola's mum said: "Wow, thanks a million! Thank you Dreams Come True on behalf of me and my son, we really appreciate it and also thank you to the charitable organisation that made this possible. Thank you very much, God bless you. Okiki really loves it, God bless you"

Okikola said: "Thank you for the laptop, I really appreciate it and also it's in one of my favourite colours!"



Ali's Garden Haven

Ali's autism means that regulating his emotions is a struggle and his behaviour can be challenging and unpredictable. More than anything, going outdoors helps him to feel calm and happy and helps prevent a behavioural crisis. When he is at school or respite care, Ali often takes himself outside, spending his time walking around clapping and singing. Whilst he enjoys using the equipment outside at school, he would become bored and frustrated in the garden at home, refusing to go out if the weather were damp (as Ali lives in Manchester, this happens frequently!).

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

His social worker wrote to us: "Having access to this outside space helps Ali - we already know this is an effective strategy to use. It would make a massive difference for Ali and his family if he had access to a similar safe outdoor space at home. As part of his diagnosis Ali over eats and food is a massive trigger for him. Having access to this equipment will also support with a healthy active lifestyle for Ali."

The situation with coronavirus has been very challenging for Ali and exhausting for his family. Ali struggled with the change to his routine when both school and his respite care were put on hold during lockdown. If Ali were taken for a walk, he would often get angry when he was unable to go to McDonald's to eat as he could not understand it was closed. He was also unaware of the need to social distance so trips outdoors could be confusing and upsetting for him.

We talked to Ali's mum about what furniture he would enjoy best. Dreams Come True bought a bench for him to sit on and enjoy the garden, just as he does when he is at respite, along with a "pavilion" shelter so that he can enjoy the garden in all weathers. Ali also loves going on the swing at school and finds the action calming, so we purchased him a swing with a canopy and a cover, that he could use when it rains. He tends to lie down on chairs and so we ordered cushions to make this comfortable for him.



Our Regional Coordinator in Manchester, Zoe, has developed a relationship with international energy and services company Engie, who were delighted to offer their services to assemble the equipment for Ali.

In the build-up to the day of delivery, Ali's family kept his dream a secret from him. This meant that when he came outside, his transformed garden space was a huge surprise for him. He was thrilled when he came outside – he flapped his hands with excitement and was grinning from ear to ear! Nobody present could fail to be moved.

Ali's mum said: "I just wanted to thank Dreams Come True for everything that they have done. Everyone was so kind and helpful and truly went above and beyond to give my son the best experience they could.

Ali has really been enjoying going out in the garden now! The volunteers from Engie were so friendly and helpful. Thank you so much for everything, we truly appreciate it."

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

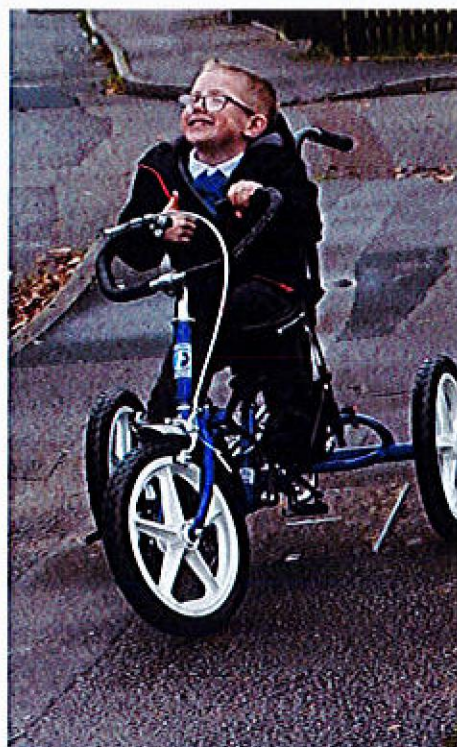
Louie's dream

Louie's dream was to be able to ride a bike in the park like all of his friends, something his Cerebral Palsy made impossible on a standard child's bike.

Louie, aged 5, is unable to stand or walk independently, but through a specially adapted trike, can explore safely like any other child would. He loves being outdoors and in a family with three other brothers, his mum wanted nothing more for him than to be able to join in with them and for the family to all spend time outside together where Louie doesn't feel like he's missing out or has to do something differently.

Having a trike that he and his mum can control properly will give him such a sense of freedom and independence, and improve his confidence as he learns to ride it on his own. Using his trike for regular exercise will help Louie with his physio whilst he has fun at the same time.

This year in particular has been hard for everyone, and for Louie's family the added uncertainty and financial strain meant they wouldn't have been able to afford a trike like this. Now with Dreams Come True's help, the family can all enjoy time outside together. Louie's mum said "you've not only made Louie's dream come true but the whole family's".



HIGHLIGHTS

Kentown Wizard Foundation – we continued to receive our multi-year grant, which has transformed the charity and delivers dreams in some of the United Kingdom's most hard-pressed areas.

The Barneswood Charitable Trust – continue to provide generous support through donations towards the provision of powered wheelchairs and our in-year appeal to assist in the delivery of dreams.

BP – have continued to provide support through collection pots in some of their service stations.

Tradeweb – a valued partner who continued their support including holding a Christmas fundraiser.

Progeny – undertook a virtual three peaks challenge with the staff team individually completing the distance via a bespoke app and website.

R3 – took on our Ultimate Dream challenge, but adapted it to their own, by running a 166 mile challenge.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

Emergency appeal - We are grateful for the support we received in response to our emergency appeal to allow us to fund the dreams on our waiting list which were having to be delayed due to the greatly reduced levels of funds being raised due to COVID-19.

We would also like to acknowledge all those organisations who have supported us to help make dreams come true, by donating their services or giving us discounts, in particular Splash of Colour, Merlin's Magic Wand and Abbey Skip Hire.

STATEMENT OF PUBLIC BENEFIT

The Trustees confirm that we have acted in accordance with the public benefit guidance published by the Charity Commission.

Principle 1: There must be an identifiable benefit or benefits

Our purpose is to improve the wellbeing of children and young people with serious and life-limiting conditions, and their families, through the realisation of a dream. We receive hundreds of testimonies from the children, parents, other family members and carers involved in the dream who benefit from the morale boost, improved sense of self-esteem, joy and excitement that this experience provides.

The benefit that we provide is something that is not available other than through charitable means. We are not duplicating a service that is available on the NHS or through any other public sector body. Without us, these dreams simply would not come true. For many of our children and young people we are the only source of support available, as we are the only charity in the dreams and wishes sector meeting the needs of children as young as two through to young people as old as 21. And our criteria mean we serve the needs of children with life-limiting, not just terminal, illnesses. For many of these children, the criteria of other charities mean that they are deemed "not ill enough" to warrant an intervention.

Principle 2: Benefit must be to the public, or section of the public

In 2020-21 the service that we provided was available to all children and young adults with serious and life-limiting illness, aged 2 to 21 (at the time of application) from across the whole of the UK. A unique aspect of the charity is its work with the 18-21 age range - a population which other charities in our sector are not able to reach and which is a growing cohort in palliative care. This means that we accept children and families who otherwise simply have nowhere else to go.

We further extended our reach and impact by working with various agencies to assist those who would not normally apply for a dream. Our Hidden Communities programme, which is the only one of its kind in the United Kingdom, is now fully operational in the hardest to reach, most deprived areas of the Midlands, Northwest, and Scotland.

In this financial year we have fulfilled dreams for children from all nine of the English regions, Scotland, Wales and Northern Ireland.

Our charitable activities do not result in private benefits, except where incidental to those activities - for example, the purchase of goods and services essential to the fulfilment of a dream.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

CHARITY FUNDRAISING

At Dreams Come True we ensure that our values are reflected in our fundraising activities. We are registered with the Fundraising Regulator and are committed to adherence of the Code of Fundraising Practice. The government funding that we received in 2020/21 was in relation to receipts for furlough and amounted to 3% of our total income. 32% of our income comes from Trusts and Foundations, with a further 23% from legacies, the remainder comes from events/challenges, donations, and other fundraising activities.

Our fundraising efforts involves donations, grant applications from Trusts and Foundations, gifts in wills, running and other challenges and events and operating a lottery.

Our website outlines our complaints procedure for the public, and clearly explains how an individual can complain. We received six complaints in 2020/21 which we responded to within 10 days. Complaints are dealt with in-line with our fundraising complaints procedure.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

STRATEGIC REPORT

RISK MANAGEMENT

The Board of Trustees has delegated responsibility for risk management to the Finance and Risk Committee. The full board reviews the highest standing risks, at every board meeting, along with all strategic risks. The Chief Executive and Director of Resources review monthly all financial, operational, regulatory, and reputational risks, in detail.

The Board of Trustees have appointed a trustee with oversight for child and vulnerable adult protection and data protection.

Key risks and our plans for mitigation are:

Data Protection

The charity holds data from a number of different sources and has implemented a detailed plan so as to ensure full compliance with GDPR. There is a data officer who on all matters pertaining to personal information (collection, use and storage) reports directly to a nominated Trustee who has oversight of all activity.

Dreams Delivery

It is important that a balance be struck by actively seeking those who wish to have a dream fulfilled and the number of recipients waiting to have their dream fulfilled. Responsibility for the operation and delivery of dreams, is divested to the Chief Executive, with reporting of progress at each board meeting. The type and value of dreams offered are reviewed by Trustees annually.

Safeguarding

Our work with children and young people suffering from serious and life-limited conditions places on us a particular burden of care to ensure that they are safeguarded through their experience of dream fulfilment. We mitigate risk through: having a Safeguarding Policy (along with other supporting policies) which is reviewed and presented to the board for approval annually; risk assessing all applications to ensure that dreams can be fulfilled safely; Designated Safeguarding Lead and Deputy in place and using only trained professional staff to work with children and families in organising and delivering dreams; along with DBS checking all staff and Trustees.

Reputational risk

Risks associated with adverse publicity involving a service provider, supplier or supporter is ongoing. All our activities and partnerships undergo risk assessment and, where necessary to protect the charity's good name, relationships are terminated. The Trustees have in place a Crisis Management Plan to ensure that, should a reputational issue arise, our response is timely and appropriate.

Financial risk

Successfully growing our income in order to increase the number of dreams we fulfil is a key part of our strategy both now and in the future. At the same time, it is necessary to increase our reserves to achieve six months' core expenditure cover, to mitigate the risk of financial insolvency.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

The Finance and Risk Committee scrutinise our financial performance at quarterly meetings to ensure that progress against income and expenditure targets is being met. It makes recommendations to the full Board at their meetings regarding the allocation of surpluses to ensure that the twin targets of financial stability through adequate reserves and charitable impact through increasing our dream delivery.

FINANCIAL REVIEW

Dreams Come True ended the year with an operating deficit of £24,169 (2020: surplus £261,797) reflecting a decrease in funds raised of £798,045 to £938,322 compared to £1,736,367 for 2020. Whilst the charity has continued to focus on improving the proportion of expenditure spent on delivering its charitable activities, principally due to the effects of coronavirus, this was not possible in the current year with spend on charitable activities at 61% (£590,112) compared to 64% (£936,691) in 2020. The mix of the spend on the Charity's core activities has also changed this year, whilst the pandemic has meant that we were unable to deliver group trips and overseas holidays, we have delivered equipment and UK holidays/experiences with our related spend reducing to £230,314 (2020: £552,119), in part due to Hidden Communities dreams taking longer to organise than anticipated and in part the impact of Covid-19 on the ability to organise travel related dreams. Staff costs relating to charitable activities increased in the year by £60,817 to £314,248, due to a full year of the Hidden Communities programme (2020: £253,431).

Key points to note:

Income

- Income from donations and legacies decreased by £399,650 to £405,338 (2020: £804,988) this was due to a substantial decrease in gifts in kind of £114,766, combined with the reduction on corporate income of £168,212.
- Included within the legacy income for the year is the sum of £150,000 from one particular estate. This represents the Trustees' best estimate of the amount receivable, although the timescale for receipt is uncertain at this stage. The legacy income actually received in the year was therefore £161,612 rather than £311,612 and the operating deficit would have been £174,169 rather than £24,169.
- Income from fundraising campaigns decreased by £158,190 to £415,894 (2020: £574,084).
- Fundraising events income reduced by £271,712 to £85,561 (2020: £357,273).
- The Charity continues to see substantial restricted income of £350,644 in 2021 (2020: £377,115). This has been in the main due to a grant from Kentown Wizard Foundation of £271,000 for the Hidden Communities Programme.

Expenditure

- Expenditure on raising funds reduced by £165,230 year on year to £372,379 (2020: £537,609) of which the allocation of support costs has reduced to £163,923 (2020: £188,984). Direct fundraising costs were £208,456 (2020: £348,625) and £140,169 (40%) lower than prior year, which is a reflection of the ability to fundraise during a pandemic with most activities severely curtailed.
- Expenditure on charitable activities reduced by £346,849 (37%) to £590,112 (2020: £936,961), this was due to the new Hidden Communities programme coming online and the impact of delivering dreams in the final month of the financial year due to Covid-19.
- Support costs reduced by £52,935 to £445,576 (2020: £498,511). We have continued to reduce costs both staffing and overhead costs in a drive to improve efficiency and re-deploy resources, whilst looking to the future and implementing new finance/CRM systems and initiating other projects to support the plans for future growth.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

Reserves

Reasons reserves are held:

The Board of Trustees, Chief Executive and Director of Resources will identify the need for access to reserve funds and confirm that their use is consistent with the purpose of the reserve, as described within the reserves policy. This step requires analysis of the reason for any shortfall, the availability of any other sources before using reserves, and evaluation of the time period over which the funds will be required and replenished.

Use of reserves can include, but is not limited to the following:

- The risk of unforeseen emergency or other unexpected need for funds, e.g. an unexpected large repair bill or finding 'seed-funding' for an urgent project.
- Covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence.
- A source of income, e.g. a grant, not being renewed. Funds might be needed to give the Board of Trustees time to act if income falls below expectations.
- Planned commitments, or designations, that cannot be met by future income alone, e.g. plans for a major asset purchase or to a significant project that requires the charity to provide 'matched funding'.
- The need to fund short-term deficits in a cash.

Target range of reserves for the financial year

The level of reserves target has been set to a limit of six month's core operational costs (to include salary and running costs of the charity). This is to be reviewed on an annual basis as part of the budget setting plan, alongside cashflow requirements and is regarded as part of ongoing management of the charity.

Where the reserves level is below target, consideration is given to whether this is due to short-term circumstance or longer-term reasons which might trigger a broader review of finances and reserves. This will form part of a wider discussion at Finance Committee and be reported to the Board of Trustees.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

Level of Reserves at year end

The Charity continues to see a shift in its reserves which reflects the movement in its income from unrestricted to restricted reserves, including the grant from Kentown Wizard Foundation. The Charity has the aim of maintaining unrestricted reserves equivalent to at least six month's core operational costs; the change in nature of its income during the year has meant that unrestricted reserves stood at £336,556 (2020: £378,953) and a restricted position of £226,881 (2020: £241,372).

The cash position at the end of the year was £259,600 (2020: £586,287) which reflects, inter alia, the operating deficit of £24,169 during the year.

Dreams Come True is intending to achieve the desired level or range of reserves by increasing our fundraising activities and seeks to create new corporate partners particularly those who are willing to provide unrestricted funds, whilst continuing to decrease our operational overheads.

The Reserves policy is reviewed by the Finance Committee every two years or sooner if warranted by internal or external events or changes, to ensure that the reserves policy continues to be relevant, as the charity develops or changes its strategy and activities. Changes to the policy will be recommended by the Finance Committee to the Board of Trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The charitable company was incorporated on 3 October 1988 and is governed by its Memorandum and Articles of Association. The charitable company is limited by guarantee and has no share capital.

Our Trustees

The Trustees who served the Charity during the period were (served for the entire year unless indicated):

	Attendance	Out of possible
A Linares (Incoming Chair – 11.09.20)	7	7
D Weeks (Chair)	8	9
M Abraham-Thwaites (retired 30.10.20)	2	4
A Challis	9	9
P Cryer (retired 30.10.20)	4	4
S Foster	7	7
R Humphrey	8	9
M McArthur	9	9
P Leoni Sceti	9	9
A Post	3	9
N Smith (appointed 6.11.20)	5	5
N Taqi-Eddin	7	9
A Vaughan	9	9

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

The Board of Trustees meets at least four times a year and its main purpose and activity is focused on the setting of policy, strategic direction and ensuring good stewardship of resources. The work of the Board was supported by the following Board Committees and Sub-groups:

Finance and Risk Committee

First line oversight of finance and risk is delegated to the Finance and Risk Committee which meets at least quarterly. Its quarterly meetings are held in advance of the main Board meetings to which it reports its findings and recommendations. The Finance and Risk Committee also has oversight of Audit, Investments, Governance and Remuneration.

Trustees who serve on the Finance and Risk committee and their attendance is as follows:

	Attendance	Out of possible
A Challis – Chair	3	3
M Abraham-Thwaites (retired – 30.10.20)	1	1
A Post	2	3
N Smith (appointed 6.11.20)	1	1

Nominations Sub Committee

The Nominations sub-committee is established for the purpose of leading the process of CEO recruitment, appointments and election to the Board of Trustees and independent members and advisors to its committees. The Committee meeting in the reporting cycle as required. Membership consists of the following Trustees:

	Attendance	Out of possible
A Challis (Chair)	8	8
P Cryer (retired – 30.10.20)	6	6
M McArthur	8	8
D Weeks	1	1
S Linares	1	1

Induction and Training of Trustees

A Trustee skills matrix is maintained to ensure that the Board is aware of skills gaps that might exist and to enable particular skills to be targeted when recruiting new Trustees.

Candidates undergo an appointment process involving:

- submission of their details and a review of experience in relation to the Trustee skills matrix.
- meetings with the Chair, Chief Executive, and other Trustees.
- a visit to the charity office.
- as a final step, attendance as an observer, at a full Board Meeting.

Once this process is concluded, successful candidates will be invited to join the Board of Trustees.

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

Induction and Training of Trustees (continued)

Induction for new Trustees includes:

- Visiting the charity office, meeting and being briefed by staff
- Meetings with other Trustees
- Safeguarding training
- Provision of a Governance handbook
- Attendance, depending on previous Trustee experience, on an appropriate external course for new Trustees.
- Ongoing programme of Trustee training

Organisational structure and decision making

The Charity operates throughout the UK from its office based in Liphook, Hampshire along with regionalised staff based in Manchester. The Charity's work is carried out by a Chief Executive and 11 staff. They are responsible for good utilisation of resources and the achievement of objectives across the operational areas of:

- dreams fulfilment
- marketing and communications
- fundraising
- finance and administration

The members of the Leadership and Management Team who served the Charity during the period and reported to the Board of Trustees at regular meetings were:

Chief Executive:

Richard Ashton

Director of Resources

Lynne Govus

Head of Dreams:

Siobhan McGowan

Head of Events and Community Fundraising:

Martin Neal – left May 2020

Programme Manager

Victoria Jones – left February 2021

Director of Fundraising & Engagement

Jessica Dallyn – September 2020 to January 2021

Dreams Come True Charity

Trustees' Report for the Year Ended 31 March 2021 (Continued)

The Charity has a 100% owned subsidiary, Dreams Come True Services Ltd., which is dormant.

The trustees' report, including the strategic report, was approved by the Board of Trustees of the charity on and signed on its behalf by:



A E Linares
Chair of Trustees

Dreams Come True Charity

Statement of Trustees' Responsibilities

The Trustees (who are also the Directors of Dreams Come True Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements 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 financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements 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 financial statements comply with the Company Act 2006 and Charities Act 2011. 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

Each of the Trustees has confirmed that 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 auditor is aware of such information.

Approved by the Board of Trustees of the charity on 24.9.2021 and signed on its behalf by:



AE Linares
Chair of Trustees

Dreams Come True Charity

Independent Auditor's Report to the Members of Dreams Come True Charity

Opinion

We have audited the financial statements of Dreams Come True Charity (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including the Charity SORP applicable to charities preparing their accounts in accordance with 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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.

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 Trustees 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 Trustees with respect to going concern are described in the relevant sections of this report.

Dreams Come True Charity

Independent Auditor's Report to the Members of Dreams Come True Charity (Continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chair's Foreword and Trustees' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's Foreword and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's foreword and the Trustees' Report (and the directors' report included within the Trustees report).

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 financial statements 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the Trustees, who are also the directors of the Charity for the purpose of company law, are 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Dreams Come True Charity

Independent Auditor's Report to the Members of Dreams Come True Charity (Continued)

In preparing the financial statements, the Trustees are 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with that Act.

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 these financial statements.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for indicators of potential bias.

Dreams Come True Charity

Independent Auditor's Report to the Members of Dreams Come True Charity (Continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charitable company's Trustees, 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

Alex Temlett (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Chartered Accountants
Statutory Auditor
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Date:

24 September 2021

Dreams Come True Charity

Statement of Financial Activities for the Year Ended 31 March 2021 (including income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income and Expenditure from:				
Donations and legacies	3	405,338	-	405,338
Fundraising campaign income		65,250	350,644	415,894
Trading activities	4	85,561	-	85,561
Grant income	5	31,515	-	31,515
Investment income	5	14	-	14
Total Income		587,678	350,644	938,322
Expenditure on:				
Raising funds	6	(327,792)	(44,587)	(372,379)
Charitable activities	7	(298,528)	(291,584)	(590,112)
Total Expenditure		(626,320)	(336,171)	(962,491)
Net (expenditure)/income		(38,642)	14,473	(24,169)
Transfers between funds	18	(3,755)	3,755	-
Net movement in funds		(42,397)	18,228	(24,169)
Reconciliation of funds				
Total funds brought forward		378,953	241,372	620,325
Total funds carried forward	18	336,556	259,600	596,156

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.

Dreams Come True Charity

Statement of Financial Activities for the Year Ended 31 March 2020 (including income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income and Expenditure from:				
Donations and legacies	3	804,988	-	804,988
Fundraising campaign income		196,969	377,115	574,084
Trading activities	4	357,273	-	357,273
Other Income		-	-	-
Investment income	5	<u>22</u>	<u>-</u>	<u>22</u>
Total Income		1,359,252	377,115	1,736,367
Expenditure on:				
Raising funds	6	(485,155)	(52,454)	(537,609)
Charitable activities	7	<u>(607,110)</u>	<u>(329,851)</u>	<u>(936,961)</u>
Total Expenditure		<u>(1,092,265)</u>	<u>(382,305)</u>	<u>(1,474,570)</u>
Net (expenditure)/income		<u>266,987</u>	<u>(5,190)</u>	<u>261,797</u>
Net movement in funds		266,987	(5,190)	261,797
Reconciliation of funds				
Total funds brought forward		<u>111,966</u>	<u>246,562</u>	<u>358,528</u>
Total funds carried forward	18	<u>378,953</u>	<u>241,372</u>	<u>620,325</u>

Dreams Come True Charity

(Registration Number: 02301610)
Balance Sheet as at 31 March 2021

		2021 £	2020 £
Fixed Assets	Note		
Tangible Assets	13	8,173	11,475
Investments	14	<u>2</u>	<u>2</u>
		8,175	11,477
Current Assets			
Debtors	15	248,414	158,103
Cash at bank and in hand		<u>497,371</u>	<u>586,287</u>
		745,785	744,390
Creditors amounts falling due within one Year	16	<u>(157,804)</u>	<u>(135,542)</u>
Net current assets		<u>587,981</u>	<u>608,848</u>
Total Assets less Current Liabilities		<u>596,156</u>	<u>620,325</u>
Funds of the Charity:			
Restricted funds	18	259,600	241,372
Unrestricted funds	19	<u>336,556</u>	<u>378,953</u>
Total Funds		<u>596,156</u>	<u>620,325</u>

The financial statements on pages 27 to 45 were approved by the Trustees, and authorised for issue on 24.9.2021 and signed on their behalf by:


A E Linares
Chair of Trustees

Dreams Come True Charity

Statement of Cash flows for the year ended 31 March 2021

		2021 £	2020 £
	Note		
Cash flows from operating activities			
Net cash (expenditure) /income		(24,169)	261,797
Adjustments to cash flows from non-cash items			
Depreciation	13	4,035	3,496
Loss on disposal of fixed assets	9	697	-
Investment income	5	(14)	(22)
		(19,451)	265,271
Working capital adjustments			
Increase in debtors	15	(90,311)	(36,700)
Increase in creditors	16	22,262	(2,410)
Net cash flows from operating activities		(87,500)	226,161
Cash flows from investing activities	5	14	22
Purchase of tangible fixed assets	13	(1,430)	(12,312)
Net cash flows from investing activities		(1,416)	(12,290)
Net (decrease)/increase in cash and cash equivalents		(88,916)	213,871
Cash and cash equivalents at 1 April 2020		586,287	372,416
Cash and cash equivalents at 31 March 2021		497,371	586,287

All of the cash flows are derived from continuing operations during the above two periods.

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021

1 Charity status

Dreams Come True is a charitable company limited by guarantee (not having any share capital) incorporated in England and Wales. Each of the Trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation. The registered office is Exchange House, 33 Station Road, Liphook, GU30 7DW. The charitable company is a Public Benefit Entity as defined by FRS102.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Basis of preparation

Dreams Come True Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

Going concern

The Charity has been impacted by the coronavirus pandemic during the year due to forced lockdowns and reduced incoming resources. Despite this, the Charity made a small deficit and has continued to support Children and Young People via dreams. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Therefore the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Summary of significant judgements and key accounting estimates

No judgements or estimates applied by management have had a significant impact on the financial statements.

Consolidation

In the opinion of the Trustees, the Charity and its subsidiary undertaking comprise a small group. The Charity has applied the exemption provided by S.398 of the Companies Act 2006 and has not prepared consolidated financial statements.

The Charity has also applied the exemption conferred by FRS 102 paragraph 9 on the grounds that the results of the subsidiary undertaking, Dreams Come True Services Limited, are not material to the group. The results of the subsidiary undertaking are adequately disclosed in the financial statements.

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of the income receivable can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that the conditions will be fulfilled in the reporting period.

Legacy income is recognised on a receivable basis to the extent that it is probable that the legacy will be received, and the value of the legacy can be measured with sufficient reliability. No provision is made in the accounts for any legacy where there is any doubt over the entitlement, certainty of receipt or measurability.

Investment income is accounted for when received. Tax recoverable on investment income is accounted for on a receivable basis.

Grant income (other income) is recognised on a receivable basis.

Gifts in kind are recognised when received and recorded based on an estimated value of a similar good or service available to buy.

Gift aid

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregates similar costs to that expense category. Where costs cannot be directly attributed to particular headings, they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs are categorised under the following headings:

1. Raising funds are those costs incurred in attracting voluntary income;
2. Expenditure on charitable activities includes expenditure associated with the organisation and fulfilment of dreams.

Support costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of a resource, while costs relating to a particular activity are allocated directly.

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

Taxation

The Charity is exempt from corporation tax.

The Charity is not registered for VAT and therefore irrecoverable VAT is charged against the expenditure heading for which it is incurred.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	25% 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.

At each reporting end date, the Charity reviews the carrying amount of its tangible 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).

Fixed asset investments

Investments in shares in group undertakings are stated at cost less any permanent diminution in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

Employee benefits & retirement

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

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks.

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

Financial instruments

The Charity has selected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument 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 the market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic Financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments 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 currently 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.

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

3 Income from donations and legacies

	Total 2021 £	Total 2020 £
Donations and Legacies:		
Corporate Donations	43,772	211,984
Gifts in Kind	12,000	126,766
Other discounted services	37,954	70,815
Legacies	<u>311,612</u>	<u>395,423</u>
	<u>405,338</u>	<u>804,988</u>

4 Income from Trading Activities

	Unrestricted Funds General £	Total 2021 £	Total 2020 £
Fundraising events income:			
Running and endurance events	59,404	59,404	177,734
Walking events	13,360	13,360	92,764
Golf Days	-	-	13,442
Skydives	75	75	14,485
Silicon Cup	8,593	5,593	30,026
Ice Hockey Events	1,593	1,593	12,233
Dreams Come True Scotland	-	-	-
Dreams Come True London	<u>2,536</u>	<u>2,536</u>	<u>16,589</u>
	<u>85,561</u>	<u>85,561</u>	<u>357,273</u>

5 Investment & Grant income

Interest receivable and similar income £14 (2020: £22) - unrestricted.

During the year £31,515 (2020: nil) was received from the UK Government by way of grant income from the Coronavirus Job Retention Scheme.

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

6 Expenditure on raising funds

Fundraising costs covering voluntary income and activities to generate funds

	Note	2021 £	2020 £
Direct Event costs		26,398	118,993
Dreams Come True Scotland		-	7,402
Direct Corporate partnerships		52,625	28,937
Direct fundraising salary costs		129,433	193,293
Allocated Support costs	8	163,923	188,984
		372,379	537,609

7 Expenditure on charitable activities

	Direct costs £	Support costs (see note 8) £	Total 2021 £	Total 2020 £
Cost of fulfilling dreams				
Group trips	-	-	-	114,975
Swimming with dolphins	-	-	-	485
UK holidays	3,654	3,338	6,992	35,228
Europe holidays	325	297	622	82,650
Worldwide holidays	8,968	8,188	17,156	194,743
Equipment dreams	107,441	98,103	205,544	124,038
Celebrity meetings and other dreams	1,243	1,135	2,378	15,001
Garden and bedroom makeovers	21,332	19,478	40,810	-
Hamleys dream day	-	-	-	11,355
Discounted services	1,235	1,127	2,362	105,055
Staff costs	164,262	149,986	314,248	253,431
	308,460	281,652	590,112	936,961

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

8 Support costs

	Fundraising £	Dreams £	Total 2021 £	Total 2020 £
Cost of fulfilling dreams				
Staff costs	37,105	181,450	218,555	212,854
Insurance	7,112	7,112	14,224	15,350
Rent	11,129	11,129	22,258	41,080
Computer support	16,975	11,316	28,291	26,271
Depreciation	2,421	1,615	4,036	3,497
Loss on disposal of fixed assets	699	-	699	-
Marketing	30,035	28,852	58,887	92,620
Other costs	57,264	38,995	96,259	104,755
Governance costs	1,183	1,183	2,366	2,084
	163,923	281,652	445,575	498,511

Central support costs relate to both costs of raising funds and the costs of fulfilling dreams. These are allocated between costs of fulfilling dreams and generating voluntary income proportional to the staff costs allocated to Fundraising and Dreams respectively.

Salary costs which relate directly to raising funds or the costs of fulfilling dreams have been taken to the relevant cost category. Administration wage costs have been allocated proportional to the approximate ratio of time spent on each category by each employee.

General fundraising and marketing are allocated to the relevant cost category individually.

9 Net outgoing resources

Net incoming/outgoing sources for the year include:

	2021 £	2020 £
Audit fees	9,900	7,500
Other non-audit services	2,465	11,994
Loss on disposal of fixed assets held for the charity's own use	697	-
Depreciation of fixed assets	4,035	3,496

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

10 Trustees' remuneration and expenses

No Trustees, nor any persons connected with them, have received any remuneration from the Charity during the year (2020: £Nil).

No Trustees in 2021 received any reimbursement of expenses (2020: £252).

11 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	445,980	530,072
Social security costs	47,805	56,384
Pension costs	20,149	23,207
	513,934	609,663

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full-time equivalents was as follows:

	2021 No.	2020 No.
Management and administration	4	3
Direct Charitable Activities	2	3
Fundraising	6	8
	12	14

There were the employees whose emoluments fell within the following banding ranges during the year:

£80,001 - £90,000 – 1 (2020: one)
£70,001 - £80,000 – Nil (2020 – nil)
£60,001 - £70,000 – 1 (2020: one)

The total employee benefits of the key management personnel of the charity were £208,679 (2020: £150,029)

The pension charge for the year was £20,149 (2020: £23,207) of which £2,929 (2020: £3,795) was outstanding at the year end.

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

	Fixtures and Fittings £
Cost	
At 1 April 2020	35,531
Additions	1,430
Disposals	<u>(1,225)</u>
At 31 March 2021	<u>35,736</u>
Depreciation	
At 1 April 2020	24,056
Charge for the year	4,035
Elimination on disposals	<u>(528)</u>
At 31 March 2021	<u>27,563</u>
Net book value	
At 31 March 2021	<u>8,173</u>
At 31 March 2020	<u>11,475</u>

Fixed assets are for charity use. Depreciation is treated as direct charitable expenditure other than a small proportion that is allocated to costs of generating voluntary income as appropriate.

14 Fixed Asset Investments

Shares in group undertakings	Subsidiary Undertakings £
Cost	
At 1 April 2020	<u>2</u>
At 31 March 2021	<u>2</u>
Net book value	
At 31 March 2020	<u>2</u>
At 31 March 2021	<u>2</u>

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of Incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Dreams Come True Services Ltd (02496422)	UK	Ordinary	100%	Dormant

15 Debtors

	2021 £	2020 £
Legacies received after year end	-	10,000
Prepayments	60,580	81,413
Other debtors	34,834	21,690
	<u>95,414</u>	<u>113,103</u>
Legacies anticipated but not received	153,000	45,000
	<u>248,414</u>	<u>158,103</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	14,776	18,863
Other creditors	112,323	56,941
Accruals	30,705	59,738
	<u>157,804</u>	<u>135,542</u>

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

17 Commitments

Operating lease commitments

Total future minimum lease payments under non-cancellable operating lease are as follows:

	2021 £	2020 £
Land and Buildings		
Due within one year	30,720	30,720
Due between one and five years	84,480	115,200
	<u>115,200</u>	<u>145,920</u>

	2021 £	2020 £
Other operating leases		
Due within one year	13,142	20,851
Due between one and five years	32,540	50,964
	<u>45,682</u>	<u>71,815</u>

Other financial commitments

Dreams Come True was committed to making payments towards London Marathon Bonds and Ride London Bonds. The London Marathon bonds were payable in five equal instalments. At 31 March 2021, Dreams Come True was committed to pay a sum of £10,180 (2020: £15,400) for the London Marathon bonds, Great North Run £820 (2020: £820) and Run4Charity £Nil (2020: £2,000).

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

18 Funds

	As at 1 April 2020	Incoming resources	Resources expended	Transfers	As at 31 March 2021
	£	£	£	£	£
Restricted funds					
Kans and Kandy Charitable Trust	5,041	-	-	-	5,041
The Barneswood Charitable Trust	20	72,749	(34,192)	3,755	42,332
Sobell Foundation	4,404	5,000	(5,685)	-	3,720
George and Grace Hart Trust Fund	276	-	-	-	276
Big Lottery Fund Scotland	7,140	-	-	-	7,140
Kentown Wizard Foundation	203,068	271,000	(290,597)	-	175,740
Ray Gravell & Friends Charitable Trust	2,615	-	-	-	2,615
Childwick Trust	12,208	-	(4,117)	-	8,091
Frederick and Phyliss Cann Trust	1,000	-	-	-	1,000
Bruce Wake Trust	2,100	-	(243)	-	1,857
The Boltini Trust	2,500	-	-	-	2,500
Foster Denovo	-	558	-	-	558
Horizons Marketing & Business Development	-	700	(700)	-	-
Birmingham HC fundraising	-	637	(637)	-	-
The Borrowes Charitable Trust	1,000	-	-	-	1,000
Total restricted funds	241,372	350,644	(336,171)	3,755	259,600

During the year £3,755 has been transferred from unrestricted to restricted reserves due to a prior year error.

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£
Restricted funds				
Kans and Kandy Charitable Trust	6,000	250	(1,209)	5,041
The Barneswood Charitable Trust	19,062	14,865	(33,907)	20
The Sobell Foundation	3,994	5,000	(4,590)	4,404
George and Grace Hart Trust Fund	875	-	(599)	276
Big Lottery Fund Scotland	7,140	-	-	7,140
Kentown Wizard Foundation	175,167	347,000	(319,099)	203,068
Ray Gravell & Friends Charitable Trust	4,000	-	(1,385)	2,615
HSBC Scotland	8,731	-	(8,731)	-
Hays Travel Foundation	3,295	3,400	(6,695)	-
Childwick Trust	15,000	-	(2,792)	12,208
The Edward Gostling Foundation (formerly The Act Foundation)	3,298	-	(3,298)	-
Frederick and Phyliss Cann Trust	-	1,000	-	1,000
Bruce Wake Trust	-	2,100	-	2,100
The Boltini Trust	-	2,500	-	2,500
The Borrowes Charitable Trust	-	1,000	-	1,000
Total restricted funds	246,562	377,115	(382,305)	241,372

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

The purpose for each restricted fund is as follows:

Kans and Kandy Charitable Trust - to fund a range of dreams as agreed with the Trust.

The Barneswood Charitable Trust - to fund a range of dreams as agreed with the Trust, including dreams for children in Hertfordshire or powered wheelchairs for children with Duchenne's muscular dystrophy.

The Sobell Foundation – a grant to assist the charity in being able to reach more children and families in the North-East of England.

George and Grace Hart Trust fund - to fund dreams for children and young people in Leicestershire.

Big Lottery Fund Scotland – to fund the volunteer network in Scotland.

Kentown Wizard Foundation – to fund dreams north of Birmingham and to fund a regional volunteer programme North of Birmingham.

Childwick Trust – Delivering dreams for up to 7 children in the South-East of England.

Frederick and Phyliss Cann Trust - to fund a dream as agreed with the Trust.

Bruce Wake Trust - to fund a dream as agreed with the Trust.

The Boltini Trust - to fund a dream as agreed with the Trust.

The Borrows Charitable Trust - to fund a dream as agreed with the Trust.

We would like to say a big thank you to all the Trusts and Foundations who have contributed unrestricted grants towards Dreams Come True in 2020/21, including Elizabeth Lady Cowdray's Charitable Trust and Vandervell Foundation.

Dreams Come True Charity

Notes to the financial statements for the Year Ended 31 March 2021 (Continued)

19 Analysis of net assets between funds

	Unrestricted Funds General £	Restricted Funds £	Total funds £
Tangible fixed assets	8,173	-	8,173
Fixed asset investments	2	-	2
Current assets	486,185	259,600	745,785
Current liabilities	(157,804)	-	(157,804)
Total net assets	<u>336,556</u>	<u>259,600</u>	<u>596,156</u>

20 Analysis of net funds

	At 1 April 2020 £	Cash Flow £	At 31 March 2021 £
Cash at bank and in hand	<u>586,287</u>	<u>(88,916)</u>	<u>497,371</u>
Net debt	<u>586,287</u>	<u>(88,916)</u>	<u>497,371</u>

21 Related party transactions

There were no related party transactions in the year.

