

Registered number: 08130595
Charity number: 1155857

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

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WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees R C Harris
T P Sillars (Chairman)

Company registered number 08130595

Charity registered number 1155857

Chief executive M Reeves

Independent auditor Crowe U.K. LLP
Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

Solicitors Gullands Solicitors
16 Mill Street
Maidstone
Kent
ME15 6XT

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of Wisdom Hospice Support (the 'charitable company') for the financial year ended 31 March 2022. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, governance and management

a. Organisational structure and decision making

The charitable company is managed by the Chief Executive of the parent charity (The Friends of the Wisdom Hospice Limited) under the direction of the Trustees.

The Trustees, who were also directors, who served during the year were:

R C Harris
T P Sillars (Chairman)

b. Constitution

The charitable company is constituted under a Memorandum of Association dated 4 July 2012 and is a registered charity number 1155857. The company's registered office is Wisdom Hospice, High Bank, Rochester, Kent, ME1 2NU. The company's registration number is 08130595.

The principal object of the charitable company is the relief of sickness by supporting the work of The Friends of the Wisdom Hospice through community engagement and the donation of grants to The Friends of the Wisdom Hospice from social enterprise activities in Medway and Swale.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on the public benefit when reviewing the charitable company's aims and objectives and in the planning of future activities.

c. Method of appointment or election of Trustees

The management of the charitable company is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association.

d. Policies adopted for the induction and training of Trustees

The charitable company is relying upon the guidance issued by the Charity Commission in relation to the induction and training of Trustees.

WISDOM HOSPICE SUPPORT
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities

a. Policies and objectives

The charitable company meets its objectives by running social enterprises in the form of charity shops. As well as generating funds to support the work of the Wisdom Hospice, the operation of the shops serves to bring the community together in terms of interaction between staff, volunteers, donors and customers.

b. Strategies for achieving objectives

The Trustees believe that successful charity shops represent an important component in the overall effort to promote and support the Wisdom Hospice and they will consider opportunities to expand the operations of the charitable company as they arise.

c. Activities undertaken to achieve objectives

The charity shops operated by the charitable company are run by a team of dedicated staff and volunteers and they strive to promote the importance of hospice care in general and the work of the Wisdom Hospice in particular.

d. Compliance with the Charity Governance Code

The Trustees are aware of the requirements of the Charity Governance Code and ensure the charitable company's operations comply with this code where appropriate for a charity of their size.

e. Main activities undertaken to further the charity's purposes for the public benefit

The Wisdom Hospice provides specialist palliative care and support to the adult population of Medway and Swale, a population of over 400,000. These services are open and free to all members of the public, and they support patients both at the hospice and within their own homes.

The group of which the charitable company is a member supports these services with an annual grant to the Wisdom Hospice which adds significantly to the public benefit making facilities available which would otherwise not be possible on the NHS budget alone.

All expenditure by the charitable company is reviewed against the public benefit principles and the Trustees ensure these expenses represent an appropriate use of charitable funds.

f. Volunteers

The charitable company is grateful for the unstinting efforts of its volunteers who are involved in service provision, charity shops and fundraising.

New volunteers have been recruited to all shops to fill in the gaps left by volunteers who did not return to the shops after the series of lockdowns.

WISDOM HOSPICE SUPPORT
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

a. Review of activities

The charitable company opened its first shop in Sittingbourne in September 2013, its second shop in Chatham in February 2017 and its third in Rochester in July 2019. During the year under review, it has again generated a surplus prior to the donation to The Friends of the Wisdom Hospice Limited.

The results for the financial year and prior year comparatives:

	2022	2021
Turnover	£416,510	£309,423
Surplus before donation	£174,887	£ 34,428
Reserves	£285,507	£110,620

During the current year the charitable company continued to benefit from income from both Medway and Swale Council's Local Business Support Grants and business rate holidays. In addition, the group negotiated rent reductions from landlords and made use of the government's furlough scheme. This support of income was reduced in comparison to the previous year and came to an end during the current year

The charitable company had cover for business interruption insurance. A successful claim was submitted and paid out for the second period of lockdown. The claim amounted to £15,247. A claim for lockdown period three has been made and was paid after the year end, amounting to £49,136, which has been accounted for income in the current year.

Financial review

a. Going concern

After making appropriate enquiries and in particular taking account of the COVID-19 pandemic, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Financial risk management objectives and policies

The Trustees have a risk management strategy which comprises an annual review of the principal risks and uncertainties that the charitable company faces and the establishment of policies, systems and procedures to mitigate these risks.

WISDOM HOSPICE SUPPORT
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

c. Reserves policy

The charitable company's unrestricted reserves as at 31 March 2022 were £285,507 (2021: £110,620).

General funds are unrestricted or free reserves which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

The charitable company was previously supported by a loan from The Friends of the Wisdom Hospice Limited, which provides funds for the operation of the charitable company, the final payment was made during the year. Taking this loan into account, the Trustees regard the level of unrestricted reserves in the charitable company at 31 March 2022 as an appropriate minimum level and they anticipate that donations of grants in accordance with the charitable company's principal objective will generally be made of surplus funds generated above this level.

In setting the minimum level of free reserves required the Trustees considered the risks set out in the Risk management section, below.

The unrestricted reserves after removing tangible fixed assets as at the year end were £234,786 (2021: £46,962). The Trustees consider this position to be acceptable as the charitable company has the ongoing support of its parent undertaking.

d. Principal funding

As detailed above, principal funding was initially derived via a loan from The Friends of the Wisdom Hospice Limited, which has been repaid, as well as from the reserves of the charitable company.

e. Risk management

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The risks associated with the COVID-19 pandemic were considered as part of the assessment.

The Trustees consider the main risks to be as follows:

- 1) A change in current customer buying habits due to their re evaluation of their need for secondhand/donated goods.
- 2) The reduction or removal of rate relief from local councils.

All risks are considered by the Board on a regular basis and efforts are made to mitigate any risks where possible.

WISDOM HOSPICE SUPPORT
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

f. COVID-19

In the current year, following the most recent lockdown, our shops re-opened on the 12th April 2021. The retail team returned from furlough on the 6th April to prepare for re-opening on the 12th.

Regular Board meeting have continued to be conducted over Zoom for staff and trustees. The Chief Executive regularly updated trustees and the Financial Controller circulated monthly management accounts detailing the current position and performance in relation to agreed budgets.

Cash flow and income forecasts are carried out regularly for both the short term and long term views, taking into account the continuing effects of the COVID-19 restrictions. The Trustees are satisfied that the charitable company has the financial and other resources it needs to overcome the challenges ahead.

Plans for the Future

Future developments

The charitable company will continue to run its charity shops in order to make donations of grants to The Friends of the Wisdom Hospice Limited. Further shops will be acquired, currently sites in Sheerness and Rochester are being considered, as well the continued expansion into online platforms such as e-Bay.

Information on fundraising practices

The charitable company receives a variety of donations of goods for sale in its shops and the Trustees are very grateful to the donors for their generosity. The charitable company regards its relationships with donors as highly important and it looks to retain the support of its donors for many years to come.

Shop staff and volunteers are trained to comply with best practices and procedures – particularly in protecting individuals who may be in vulnerable circumstances. The approach is focussed on donors and customers and designed to ensure that they enjoy and benefit from their engagement with the charitable company.

The charitable company complies with the General Data Protection Regulation (GDPR) and follows the Information Commissioner's guides and code. Whilst it strives to perform to the highest standards in everything it does, it may not always get it right. Should a complaint be received, it will be fully investigated and efforts will be made to correct any shortcomings highlighted. No complaints were received during the year.

The Trustees recognise the importance of the reputation of the charitable company in maintaining the trust and confidence of its donors and customers and this principle sits at the heart of all of its activities.

WISDOM HOSPICE SUPPORT
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The charitable company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The charitable company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers policy
- Health & safety policy

In accordance with the charitable company's equal opportunities policy, the charitable company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the charitable company's offices.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WISDOM HOSPICE SUPPORT
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

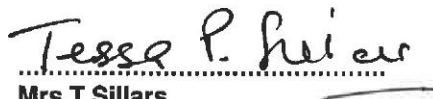
Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by order of the members of the board of Trustees on 15 September 2022 and signed on their behalf by:


.....
Mrs T Sillars
Trustee


.....
Mr R Harris
Trustee

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOM HOSPICE SUPPORT

Opinion

We have audited the financial statements of Wisdom Hospice Support (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 Financial Reporting Standard 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.

WISDOM HOSPICE SUPPORT
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOM HOSPICE SUPPORT
(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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOM HOSPICE SUPPORT
(CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company'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

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.

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act and SoRP.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISDOM HOSPICE SUPPORT
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



I Weekes (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

20 September 2022

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies:	3			
Government grants		11,590	11,590	162,892
Donations		17,814	17,814	6,381
Charitable activities	4	322,722	322,722	104,338
Other income	5	64,384	64,384	35,812
Total income		416,510	416,510	309,423
Expenditure on:				
Raising funds		241,623	241,623	224,995
Charitable activities	7	-	-	50,000
Total expenditure		241,623	241,623	274,995
Net movement in funds		174,887	174,887	34,428
Reconciliation of funds:				
Total funds brought forward		110,620	110,620	76,192
Net movement in funds		174,887	174,887	34,428
Total funds carried forward		285,507	285,507	110,620

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 27 form part of these financial statements.

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)
REGISTERED NUMBER: 08130595

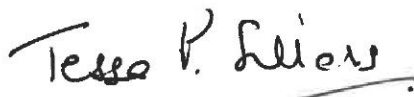
BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	50,721	63,658
		<u>50,721</u>	<u>63,658</u>
Current assets			
Debtors	13	78,563	58,053
Cash at bank and in hand		179,085	67,385
		<u>257,648</u>	<u>125,438</u>
Creditors: amounts falling due within one year	14	(22,862)	(78,476)
Net current assets		<u>234,786</u>	<u>46,962</u>
Total assets less current liabilities		<u>285,507</u>	<u>110,620</u>
Net assets excluding pension asset		<u>285,507</u>	<u>110,620</u>
Total net assets		<u><u>285,507</u></u>	<u><u>110,620</u></u>
Charity funds			
Unrestricted funds	15	285,507	110,620
Total funds		<u><u>285,507</u></u>	<u><u>110,620</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 15 September 2022 and signed on their behalf by:



Mrs T Sillars - Trustee



Mr R Harris - Trustee

The notes on pages 15 to 27 form part of these financial statements.

WISDOM HOSPICE SUPPORT
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

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) and the Companies Act 2006.

Wisdom Hospice Support 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.

Accounting standards require the directors, who are the Trustees, to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors believe that the charitable company has sufficient resources to continue in operational existence for the foreseeable future. The directors believe this to be the case as the charitable company has positive reserves and cash balances.

At various times during the year under review, the three shops were forced to close and members of the retail team were furloughed due to the COVID-19 pandemic restrictions. The retail team returned to work from furlough on 6 April 2021 to prepare for reopening and the shops reopened the following week.

Since the commencement of the pandemic, regular Board meetings have been conducted over Zoom. The Chief Executive has regularly updated Trustees and current financial information has been circulated in order to keep Trustees informed about the charitable company's financial position.

Cash flow and income forecasts are prepared regularly for both the short term and long term views, taking into account the continuing effects of the COVID-19 restrictions. The Trustees are satisfied that the charitable company has the financial and other resources it needs to overcome the challenges ahead.

Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

WISDOM HOSPICE SUPPORT
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.2 Company status

The charitable company is a company limited by guarantee (company number 08130595). The members of the charitable company are the Trustees named on page . In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charitable company.

The charitable company is also a registered charity, number 1155857.

The charitable company's registered office is

Wisdom Hospice,
High Bank,
Rochester,
Kent,
ME1 2NU.

1.3 Income

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

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charitable company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations of goods for resale received under Gift Aid or deeds of covenant is recognised at the time the goods are sold.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

1.5 Cash flow

The charitable company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102.

WISDOM HOSPICE SUPPORT
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.6 Government grants

Government grants relate to amounts received under the government Coronavirus Job Retention Scheme and local authority business support grants in respect of the Coronavirus pandemic and are accounted for on an accruals basis. These are recognised in the SoFA as part of donations and legacies.

The charitable company received £923 under the Job Retention scheme (2021: £47,127) and £10,667 in local authority grants (2021: £115,765).

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

1.8 Tangible fixed assets and depreciation

All assets are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Fixtures and fittings	- 20% straight line
Leasehold costs	- over the lease term of 10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

1.14 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

1.15 Contingent assets and adjusting post balance sheet event

Last year, three insurance claims were applied for in relation to Business Interruption Insurance following the closure of all three shops during Covid 19 lockdowns. Following the FCA's successful judgment in January 2021, the first claim was paid out, amounting to £34,562. A further claim of £15,247 was received in the year. The final claim of £49,136 was treated as an adjusting post balance sheet event and the income recognised within these accounts.

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1. Accounting policies (continued)

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The charitable company may be required to make estimates and assumptions concerning the future. These estimates and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal area where judgment was exercised was as follows:-

Tangible fixed assets: the Trustees annually assess both the residual value of the assets and the expected useful life of the assets, which is currently judged to be between 5 to 10 years, based on experience.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations and gift aid received	17,814	17,814	6,381
Government grants	11,590	11,590	162,892
	<u>29,404</u>	<u>29,404</u>	<u>169,273</u>
<i>Total 2021</i>	<u>169,273</u>	<u>169,273</u>	

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4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Shop income	322,722	322,722	104,338
<i>Total 2021</i>	<i>104,338</i>	<i>104,338</i>	

5. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Insurance claims received	64,384	64,384	35,812
<i>Total 2021</i>	<i>35,812</i>	<i>35,812</i>	

6. Analysis of expenditure by expenditure type

	Total funds 2022 £	Total funds 2022 £	Total funds 2021 £
Shop running costs			
Staff costs	122,519	122,519	122,881
Depreciation	12,937	12,937	12,938
Other running costs	106,167	106,167	89,176
Costs of raising funds	241,623	241,623	224,995
Donation to The Friends of the Wisdom Hospice Limited	-	-	50,000
Total	241,623	241,623	274,995

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donation to The Friends of the Wisdom Hospice Limited	-	-	50,000
	<u>-</u>	<u>-</u>	
<i>Total 2021</i>	<u>50,000</u>	<u>50,000</u>	

8. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets:		
- owned by the charity	12,937	12,938
	<u>12,937</u>	<u>12,938</u>

9. Auditors' remuneration

	2022 £	2021 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	2,575	1,825
	<u>2,575</u>	<u>1,825</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Staff costs

	2022	<i>2021</i>
	£	£
Wages and salaries	113,297	<i>113,667</i>
Social security costs	7,225	<i>7,233</i>
Contribution to defined contribution pension schemes	1,997	<i>1,981</i>
	122,519	<i>122,881</i>

The average number of persons employed by the Company during the year was as follows:

	2022	<i>2021</i>
	No.	No.
Staff	7	<i>7</i>

No employee received remuneration amounting to more than £60,000 in either year.

During the year, key management personnel received no remuneration or benefits in kind (2021: £NIL).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Tangible fixed assets

	Fixtures and fittings £	Leasehold costs £	Total £
Cost or valuation			
At 1 April 2021	113,714	8,596	122,310
At 31 March 2022	113,714	8,596	122,310
Depreciation			
At 1 April 2021	53,434	5,218	58,652
Charge for the year	12,078	859	12,937
At 31 March 2022	65,512	6,077	71,589
Net book value			
At 31 March 2022	48,202	2,519	50,721
At 31 March 2021	60,280	3,378	63,658

13. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	7,630	41,586
Prepayments and accrued income	70,933	16,467
	78,563	58,053

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Amounts due to The Friends of the Wisdom Hospice Limited	-	62,000
Trade creditors	16,461	12,842
Amounts owed to group undertakings	685	-
Other creditors	1,834	1,069
Accruals and deferred income	3,882	2,565
	<u>22,862</u>	<u>78,476</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
General Funds - all funds	<u>110,620</u>	<u>416,510</u>	<u>(241,623)</u>	<u>285,507</u>

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
General Funds - all funds	<u>76,192</u>	<u>309,423</u>	<u>(274,995)</u>	<u>110,620</u>

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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	50,721	50,721
Current assets	257,648	257,648
Creditors due within one year	(22,862)	(22,862)
Total	<u>285,507</u>	<u>285,507</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	63,658	63,658
Current assets	125,438	125,438
Creditors due within one year	(78,476)	(78,476)
Total	<u>110,620</u>	<u>110,620</u>

17. Pension commitments

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £1,997 (2021: £1,981). No pension contributions were payable by the charitable company at 31 March 2022 or 31 March 2021.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Operating lease commitments

At 31 March 2022 the total of the charitable company's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2022 £	2021 £
Amounts payable:			
Within 1 year	70,500	70,500	70,500
Between 1 and 5 years	177,104	177,104	211,188
After more than 5 years	41,146	41,146	77,563
	<u>288,750</u>	<u>288,750</u>	<u>359,251</u>

19. Related party transactions

The Friends of the Wisdom Hospice Limited paid various expenses on behalf of Wisdom Hospice Support and have been reimbursed fully for these. During the year under review, the total of these expenses amounted to £124,731 (2021: £124,965).

Wisdom Hospice Support received a number of donations on behalf of and paid them to The Friends of the Wisdom Hospice Limited. During the year under review, the total of these donations amounted to £7,262 (2021: £4,189).

During the year ended 31 March 2017, a loan from The Friends of the Wisdom Hospice Limited to Wisdom Hospice Support was extended to £60,000 from £35,000 at a commercial rate of 3%, repayable over 5 years from the new agreement date. At 31 March 2022, the balance outstanding on this loan was £Nil (2021: £12,000).

After the balance sheet date, a donation was declared from Wisdom Hospice Support to The Friends of the Wisdom Hospice Limited in respect of the year of £50,000 (2021: £50,000) and will be paid during the year ending 31 March 2023.

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20. Controlling party

The controlling party is considered to be The Friends of the Wisdom Hospice Limited, a registered charity (number: 284894) in England and Wales, company number 01632714 as the member of the charitable company. The registered office is Wisdom Hospice, High Bank, Rochester, Kent, ME1 2NU. This address can be contacted to obtain copies of the consolidated financial accounts.

The principal activity of the parent is to promote and provide support to the Wisdom Hospice.

21. Comparative Statement of Financial Activities

	Unrestricted funds 2021 £	Total 2021 £
Income from:		
Donations	169,273	169,273
Charitable activities	104,338	104,338
Other income	35,812	35,812
Total income	309,423	309,423
Expenditure on:		
Raising funds	224,995	224,995
Charitable activities: Donation to The Friends of the Wisdom Hospice Limited	50,000	50,000
Total expenditure	274,995	274,995
Net expenditure before other recognised gains and losses	34,428	34,428
Total funds at 1 April 2020	76,192	76,192
Total funds at 31 March 2021	110,620	110,620

