

Registered number: 01632714  
Charity number: 284894

**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Trustees**

Mr R Harris  
Mrs S Fairbrace  
Mrs M Barker  
Mrs S Berry  
Mr R Coleman  
Mr J Wootten  
Mrs V Webster  
Mrs B Fisher  
Mr A Gray

**Chief executive officer**

Mr M Reeves

**Company registered number**

01632714

**Charity registered number**

284894

**Registered office**

High Bank, Rochester, Kent, ME1 2NU

**Independent auditor**

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

**Bankers**

Natwest, 148 High Street, Chatham, Kent, ME4 4DB

Lloyds Bank, 142-146 High Street, Chatham, Kent, ME4 4DQ

**Solicitors**

Gullands Solicitors, 16 Mill Street, Maidstone, Kent, ME15 6XT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
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**Advisers (continued)**

**Honorary Vice-Presidents**

Miss B Taylor  
Mr J Mangan  
Mrs T Sillars  
Mr J Wootten  
Mr R Coleman  
Mr D Turner



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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees (who are also the directors of the charitable company for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of the group and the charitable company for the year to 31 March 2021. 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 group qualifies as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

**Structure, governance and management**

**a. Constitution**

The charity is registered as a charitable company limited by guarantee.

The charitable company is constituted under a Memorandum of Association dated 22 February 1982 and is a registered charity, number 284894.

In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £5.

There have been no changes to the objects of the charitable company since the last annual report.

The charitable company has one subsidiary undertaking, Wisdom Hospice Support, which is a separate registered charity.

**b. Method of appointment or election of Trustees**

The group has ensured that the trustee body is constituted in accordance with the governing document. The directors of the charitable company are also charity trustees for the purposes of charity law and under the charitable company's Articles of Association are known as members of the Council of Management (Board of Trustees). At each Annual General Meeting one third of the directors must retire from office. Those to retire by rotation are those who have been longest in office since their last appointment.

At the forthcoming Annual General Meeting, in accordance with the Articles of Association, M Barker, S Berry and R Coleman will retire by rotation and, being eligible, offer themselves for re-election.

At the end of March 2021 the number of current directors was nine. During the year, three trustees resigned, namely Ms B Long on 16 September 2020, Mrs J Shirley on 11 January 2021 and Mrs A Skinner on 25 March 2021. It is not permitted to have less than five or more than fifteen members of the Board of Trustees. Authority to appoint new directors rests with the charitable company but the directors may also appoint a person who is willing to be a director, in the recognition that this appointment would be approved by the members at their next Annual General Meeting.

The Trustees have taken care to ensure that the Board has the appropriate skills and knowledge to conduct the business of the group. As well as general business skills, the nature of the work they do requires that Trustees are able to bring with them experience and knowledge in many areas including finance and accountancy, HR and employment law. All Trustees have a common interest in promoting the needs of the Wisdom Hospice.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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All members of the Council of Management give their time voluntarily and receive no benefits from the group.

There were no expenses reclaimed from the charitable company during the year.

**c. Policies adopted for the induction and training of Trustees**

All new Trustees receive an induction pack to acquaint them with the group and its aims and activities, management and governance and what is expected of them under charity law. Additionally, new Trustees are invited to meet with the Chairman and Chief Executive to learn more about their role and about the group's activities. Trustees are welcome to join in any training offered for staff.

**d. Pay policy for senior staff**

Salaries are reviewed annually by the Trustees, taking into account salaries paid for comparable roles in similar organisations. There are third party salary surveys of remuneration in the hospice sector and charities more generally which provide helpful input to this process.

**e. Organisational structure and decision making**

During the year under review, the Board of Trustees met on six occasions and are responsible for the strategic direction and policy of the group. The Chief Executive attends board meetings but has no voting rights. The board delegates the day to day responsibility of the running of the group to the Chief Executive who is responsible for ensuring that the group's financial targets are met and also that all employees continue to develop their skills and working practice in line with good practice. The Chief Executive is ably assisted by the Financial Controller in his responsibilities.

The Board has continued to operate the Audit & Investment subcommittee. Subcommittees allow Trustees to monitor and review the activities of the charity between formal board meetings.

The key management personnel of the charitable company comprise the Trustees and the Chief Executive.

The Trustees who served in the year are as follows:

Trustee Directors	Role	Committee
Mr R Harris	Chairman	A,B
Mrs S Fairbrace		B
Mrs M Barker		B
Mrs A Skinner		A,B (Resigned 25 March 2021)
Mrs S Berry		B
Mr R Coleman		A,B
Mr J Wootten		A,B
Mrs V Kirby		B
Ms B Long		A,B (Resigned 16 September 2020)
Mrs J Shirley		B (Resigned 11 January 2021)
Mr A Gray	Company Secretary	B
Mrs B Fisher		A, B

Committees  
A - Audit & Investment  
B - Board

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**f. Related party relationships**

The group operates shops selling donated goods through its subsidiary company, Wisdom Hospice Support. The Trustees receive regular operational reports about the subsidiary's performance.

**g. Risk management**

The Trustees have assessed the major risks to which the group is exposed, in particular those related to the operations and finances of the group. This involved identification of the types of risk the group faces and prioritising them in terms of potential impact and likelihood of occurrence and identifying and tracking the progress of measures to manage them. The risks associated with the COVID-19 pandemic were considered as part of the assessment.

The principal risks identified are:

1. Decline in reserves from an excess of expenditure over income.
2. Ability to build sustainable and predictable income to meet funding demands and ensure long term sustainability.
3. Competition for donations and the group's profile relative to other charities.
4. Possible financial cuts made by the National Health Service towards the running of the hospice thus calling on the charitable company to increase its payments to maintain hospice services at their current levels.
5. Further disruption to operations resulting from the COVID-19 pandemic.

The Board have formulated strategies to mitigate these risks through the following actions:

1. Recruiting and training staff and Trustees to develop funding and promotional strategies.
2. Establishing a prudent and sustainable expenditure plan to maintain reserves at sufficient levels to maintain solvency.
3. Ensuring that management monitor carefully and respond appropriately to issues arising as a result of the COVID-19 pandemic.

The Board continues to consider the risks to which the charity is exposed and has developed a Risk Register which is regularly reviewed and updated to ensure risks are managed effectively.

**Objectives and activities**

**a. Policies and objectives**

The group's purposes are set out in the 'Objects' clause contained in the charitable company's Memorandum of Association. The principal object of the group is to promote the relief of suffering and treatment of illness. The aim of the group is to maintain an annual grant to Medway Community Healthcare to not only ensure that the current services are maintained but, where possible, to continually improve upon these services.

The group's main objective and focus for their work during the 2020/21 financial year was to continue to promote

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**TRUSTEES' REPORT (continued)**  
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and support The Wisdom Hospice.

**b. Strategies for achieving objectives**

The charitable company works to a detailed budget which is closely monitored and reported on to the Trustees, with a view to trying to ensure that income targets are achieved and expenditure is managed efficiently.

The Chairman and Chief Executive attend regular meetings of South East Hospices also attended by Hospice UK. In addition, the Chief Executive attends a variety of networks, both regionally and nationally, in an effort to share best practice, discuss innovation and benchmark the group's activities.

**c. Activities for achieving objectives**

In setting plans for the group, the Trustees give consideration to the Charity Commission's general guidance on public benefit and, in particular, to the public benefit of providing support for the relief of ill-health.

**d. How our activities deliver 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 supports these services with an annual grant to the 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 group is reviewed against the public benefit principles and the Trustees ensure these expenses represent an appropriate use of charitable funds.

**e. Compliance with the Charity Governance Code**

The Trustees are aware of the requirements of the Charity Governance Code and ensure the group's charitable operations comply with this code.

**f. Volunteers**

The Trustees are grateful for the unstinting efforts of the volunteers who are involved in service provision, charity shops and fundraising. This last year has been a challenging year as the group were unable to engage with many volunteers due to events being cancelled, closure of shops and hospice restrictions on visitors during periods of lockdown. This has resulted in a reduction in the reported number of volunteer hours donated to the group in this year's report. The total number of hours donated during this year is 8,000 hours (2020: 20,000 hours). If this is conservatively valued at £10.00 per hour, the volunteer effort amounts to approximately £80,000. The charitable company has a volunteer coordinator to ensure that best value is derived from the sterling efforts of our volunteers.

The charitable company has continued to engage and communicate with volunteers in regular virtual events such as fortnightly volunteer coffee mornings and regular email updates have been effective in keeping the volunteers engaged and updated.

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**TRUSTEES' REPORT (continued)**  
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**Achievements and performance**

**a. Review of activities**

**Donations and legacies**

Overall income from donations and legacies increased in the year under review to £590,895 (2020: £402,481). Donation income increased to £302,279 (2020: £241,147), benefitting from the positive response from supporters to our appeals following the onset of the COVID-19 pandemic. Legacy income increased to £248,275 (2020: £105,631) and included £82,397 from the estate of Miss Barbara Edmeades which was received earlier than anticipated and was therefore accounted for in the year under review rather than in the subsequent year.

**Fundraising**

It has been a very challenging year for fundraising as many of the regular fundraising events and supporters' events were cancelled or restricted as a result of COVID-19 restrictions and overall fundraising income in the year under review was reduced substantially to £292,946 (2020: £591,772). General fundraising income decreased to £58,000 (2020: £194,504) and Sales of donated goods decreased to £104,338 (2020: £277,468). Lottery income did however increase to £124,775 (2020: £105,232).

**Government Grants**

To mitigate the reduction in fundraising income the charitable group successfully secured emergency COVID-19 grants from Kent and Medway Clinical Commissioning Group. Funding was also received from Local Authority Business Support Grants and the Coronavirus Job Retention Scheme. The total amount derived from government grants for the year was £463,930 (2020: £2,297).

**Business Interruption Insurance Claim**

The charitable group had business interruption insurance cover in place. A successful claim for £34,562 was submitted and paid out in respect of the shops' forced closure for the first period of lockdown. It is planned that further claims will be pursued for lockdown periods two and three.

**Shops**

The group operates three high street shops in Sittingbourne, Chatham and Rochester town centres and is also active on online shopping platforms.

Shop performance was severely affected by the series of lockdowns imposed by the government when all non-essential retail outlets had to close. In mitigation, funding was received from Local Authority Business Support Grants and the Coronavirus Job Retention Scheme and costs were reduced as a result of business property rates holidays and temporary rent reductions negotiated with shop landlords.

**Lottery**

The lottery continued to be a success, with over 5,500 regular players at 31 March 2021. Initially, following the onset of the COVID-19 pandemic, player numbers reduced as several chose to cancel their subscriptions. However, player numbers recovered following the introduction of a successful telephone marketing initiative during periods of lockdown when face to face recruitment was restricted. This initiative ensured our player numbers returned to expected levels and budgeted lottery income was maintained.

**b. Investment policy and performance**

The charitable company has a low risk investment policy. The value of its investments has shown an increase during the year under review, from £1,158,039 at 31 March 2020 to £1,279,919 at 31 March 2021. The group's investments were rebalanced during the year and are under regular review by the group's investment managers.

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**c. Factors relevant to achieve objectives**

The charitable company monitors the return on invested time and expenses on all of its events, with a view to ensuring returns are maximised.

**Financial review**

**a. Going concern**

On the basis of detailed projections of income, expenditure and cash flow prepared using appropriate assumptions and in particular those relating to the effects of the COVID-19 pandemic, the Trustees have a reasonable expectation that the charitable company and the group have 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. Reserves policy**

The Wisdom Hospice is run by Medway Community Healthcare (MCH) within the NHS and its operational and funding structure is determined accordingly. Representatives of the Trustees meet regularly with MCH and the local Clinical Commissioning Group (CCG) in order to understand the financial requirements of MCH including any particular needs they may have and how the ongoing NHS reorganisation process impacts on the group's activities.

From 1 April 2020 the eight CCGs in Kent and Medway were amalgamated into one. The Kent and Medway CCG will now oversee and commission health services across Kent and Medway. It is hoped that this development will simplify and rationalise engagement with the commissioning body.

The Trustees take account of these issues as they strive to maintain the group's reserves at a level which they deem appropriate to ensure the group can meet its objectives in the prevailing circumstances over the medium and long term.

This year's surplus has led to an increase in reserves of £333,636 (2020 - decrease of £261,447).

The unrestricted reserves as at the year end were £2,290,603 (2020 - £1,956,775) and the free reserves, being unrestricted reserves after removing tangible fixed assets, were £1,935,831 (2020 - £1,580,054). The Trustees regard these as appropriate levels in the current circumstances with reference to the policy set out above.

The Trustees continually look for opportunities to spend restricted reserves in accordance with the restrictions thereon in pursuit of the group's objectives.

The restricted reserves as at the year end were £2,046 (2020 - £2,238).

**c. Material investments policy**

Under the Memorandum and Articles of Association, the group has the power to make any investment which the Trustees see fit, subject to such conditions (if any) and such consents (if any) as may be imposed or required by law. The Trustees are mindful of the recommendation of the Charity Commission with regard to the management of their investments. The Audit and Investment Committee has been set up to focus on investments in line with



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**TRUSTEES' REPORT (continued)**  
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the group's Statement of Investment Principles, which is under regular review.

No investment is knowingly made directly in tobacco related products or in any other products known to be injurious to health. Where any investments are discovered to be in breach of this policy, action is taken to correct the position and reported to the Trustees.

**d. COVID-19**

The wide-ranging effects of COVID-19 will inevitably have a long-term impact on both the UK and global economies.

The Friends' fundraising operations were severely affected and most fundraising events since the onset of the pandemic were either cancelled or postponed. At various times during the year under review, members of staff were furloughed as a result of COVID-19 restrictions. During periods of lockdown the administration of the group's operations continued to function with a mixture of office based and remote working. The control environment was maintained throughout with the help of secure electronic communications between members of staff and with third parties.

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 group's financial position.

Despite progress with vaccinations and the country's emergence from lockdowns, fundraising will continue to be a challenge for the foreseeable future. The group's priority is to maintain its financial support of the Wisdom Hospice at planned budgeted levels.

Income, expenditure and cash flow 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 group has the financial and other resources it needs to overcome the challenges ahead.

**Plans for future periods**

**Future developments**

As the charitable group adapts to the changing environment influencing fundraising events, it is developing a new strategy that will take into account short, medium and long term aims. Two trustee workshops were conducted in June and July 2021. The Managing Director of Medway Community Healthcare, Trustees and members of staff attended sessions at the workshops to discuss the current, medium and long term challenges. Board development is seen as a priority in supporting the fundraising team to meet their challenges.

The new strategy will be developed with three broad themes

- To achieve and maintain fundraising and income targets in line with agreed budgets
- To identify innovative ways of raising funds
- To improve communications and marketing with all stakeholders

The Trustees will continue to develop their strategies to increase the income and profile of the group and will continue to review and enhance their current initiatives. The group will examine, evaluate and innovate fundraising events in keeping with the ethos of the group.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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Trusts and grant making organisations have been approached for support with some success. This will continue into the future.

The Trustees will continue to maintain and develop beneficial working relationships with the Wisdom Hospice and Medway Community Healthcare.

**Information on fundraising practices**

The charitable company receives financial support from its donors across a wide range of events and activities and the Trustees are very grateful to these donors for their generosity. Donations are acknowledged with a letter of thanks from the Chief Executive or a phone call when appropriate in recognition of significant donations or actions. The charitable company regards its relationships with donors and supporters as highly important and it prides itself on those it has built over many years of fundraising.

The fundraising team looks to be innovative with its events so as to maintain maximum supporter engagement and to inspire the next generation of donors and supporters.

The charitable company carries out its fundraising in a fair and responsible way and ensures that funds raised are spent effectively to bring maximum benefit to the patients and relatives connected with The Wisdom Hospice. Its regular newsletters and website share the latest news of achievements and reinforce its gratitude to donors. The charitable company also ensures that donors have control over how they communicate with it.

The charitable company strives to ensure that its fundraising is conducted to the highest level of quality and safety. Fundraisers and partners are trained to comply with best practices and procedures – particularly in protecting individuals who may be in vulnerable circumstances. The approach is donor focussed and designed to ensure that donors enjoy and benefit from their engagement with the charitable company. The Friends of the Wisdom Hospice is registered with the Fundraising Regulator.

The charitable company has partnered with Your Hospice Lottery (YHL) who are contracted to promote its lottery. The charitable company works closely with YHL, who act in accordance with the high standards that both the charitable company and the public expect. The charitable company's Chief Executive inducts all new lottery fundraisers to ensure that the standards and obligations required are understood and met in their fundraising activities. Feedback is sought from players about their lottery experience, allowing the charitable company to maintain standards and, where relevant, to instigate any required improvements to fundraising practices.

Wisdom Hospice Support benefits from a strong brand, well positioned shop locations and an active social media presence to attract a variety of donations of goods for sale in its shops. The Trustees are very grateful to these donors for their generosity. The charitable group regards its relationships with donors as highly important and it looks to retain the support of its donors for many years to come. Wisdom Hospice Support staff and volunteers are trained to comply with best practices and procedures in order to ensure that donors and customers have a positive experience in their dealings with it.

The charitable group 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. The charitable group received two complaints which were resolved during the year under review.

The Trustees recognise the importance of the reputation of the charitable group in maintaining the trust and confidence of its donors and this principle sits at the heart of all of its activities. One complaint was received and it was resolved satisfactorily during the year under review.

**Trustees' responsibilities statement**



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**TRUSTEES' REPORT (continued)**  
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The Trustees (who are also directors of The Friends of the Wisdom Hospice Limited 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**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 charitable group'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 charitable group's auditor is aware of that information.

**Auditor**

The auditor, Crowe U.K. LLP, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at the forthcoming AGM.

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

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**TRUSTEES' REPORT (continued)**  
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This report was approved by the Trustees on *15 September 2021* and signed on their behalf by:



**Mr R Harris, Trustee**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**

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**Opinion**

We have audited the financial statements of The Friends of the Wisdom Hospice Limited (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the entity balance sheet, the group Consolidated 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 group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's 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 and the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 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 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 Directors' Report included within 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 group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the parent charitable company 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 Group Strategic Report.

**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

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**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**

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misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 group or the parent 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

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

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**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**

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*I. Weekes*

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

Date: *23<sup>rd</sup> September 2021*

Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Government grants	2	463,930	-	463,930	2,297
Other donations and legacies	2	590,895	-	590,895	402,481
Fundraising activities	4	292,946	-	292,946	591,772
Investments	3	3,143	-	3,143	7,216
Other income	5	35,812	-	35,812	-
<b>Total income</b>		<b>1,386,726</b>	<b>-</b>	<b>1,386,726</b>	<b>1,003,766</b>
<b>Expenditure on:</b>					
Raising funds	6	519,701	-	519,701	586,056
Charitable activities	7	669,590	192	669,782	677,012
<b>Total expenditure</b>	8	<b>1,189,291</b>	<b>192</b>	<b>1,189,483</b>	<b>1,263,068</b>
<b>Net income / (expenditure) before investment gains/(losses)</b>		<b>197,435</b>	<b>(192)</b>	<b>197,243</b>	<b>(259,302)</b>
Net gains/(losses) on investments	13	136,393	-	136,393	(2,145)
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>333,828</b>	<b>(192)</b>	<b>333,636</b>	<b>(261,447)</b>
<b>Net movement in funds</b>		<b>333,828</b>	<b>(192)</b>	<b>333,636</b>	<b>(261,447)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,956,775	2,238	1,959,013	2,220,460
<b>Total funds carried forward</b>		<b>2,290,603</b>	<b>2,046</b>	<b>2,292,649</b>	<b>1,959,013</b>

The notes on pages 21 to 41 form part of these financial statements.

**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)  
REGISTERED NUMBER: 01632714

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	12		354,772		376,721
Investments	13		1,279,919		1,158,039
			<u>1,634,691</u>		<u>1,534,760</u>
<b>Current assets</b>					
Stocks	14	10,138		9,938	
Debtors	15	189,313		79,441	
Cash at bank and in hand		550,968		428,086	
		<u>750,419</u>		<u>517,465</u>	
<b>Creditors:</b> amounts falling due within one year	16	(92,461)		(93,212)	
<b>Net current assets</b>			657,958		424,253
<b>Net assets</b>			<u>2,292,649</u>		<u>1,959,013</u>
<b>Charity Funds</b>					
Restricted funds	18		2,046		2,238
Unrestricted funds	18		2,290,603		1,956,775
<b>Total funds</b>			<u>2,292,649</u>		<u>1,959,013</u>

As no separate SOFA has been presented for the charitable company alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP, a parent surplus was recorded during the year of £299,209 (2020 - deficit of £293,168).

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

The financial statements were approved and authorised for issue by the Trustees on 15 September 2021 and signed on their behalf by:



**Mr R Harris**



**Mrs B Fisher**

The notes on pages 21 to 41 form part of these financial statements.



**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 01632714**

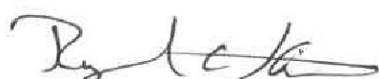
**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	12		291,114		300,125
Investments	13		1,279,919		1,158,039
			<u>1,571,033</u>		<u>1,458,164</u>
<b>Current assets</b>					
Stocks	14	10,138		9,938	
Debtors	15	193,261		106,186	
Cash at bank		483,583		387,123	
		<u>686,982</u>		<u>503,247</u>	
<b>Creditors:</b> amounts falling due within one year	16	(75,985)		(78,590)	
<b>Net current assets</b>			<u>610,997</u>		<u>424,657</u>
<b>Net assets</b>			<u><u>2,182,030</u></u>		<u><u>1,882,821</u></u>
<b>Charity Funds</b>					
Restricted funds			2,046		2,238
Unrestricted funds			2,179,984		1,880,583
<b>Total funds</b>			<u><u>2,182,030</u></u>		<u><u>1,882,821</u></u>

As no separate SOFA has been presented for the charitable company alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP, a parent surplus was recorded during the year of £299,209 (2020 - deficit of £293,168).

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

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**Mr R Harris**



**Mrs B Fisher**

The notes on pages 21 to 41 form part of these financial statements.

**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<u>105,227</u>	<u>(259,218)</u>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		3,143	7,216
Cash movement on investment account		632	(8,173)
Purchase of tangible fixed assets		-	(41,372)
Proceeds from sale of investments		549,913	1,066,922
Purchase of investments		<u>(536,033)</u>	<u>(1,050,897)</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>17,655</u>	<u>(26,304)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>122,882</u>	<u>(285,522)</u>
Cash and cash equivalents brought forward		<u>428,086</u>	<u>713,608</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>550,968</u></u>	<u><u>428,086</u></u>

The notes on pages 21 to 41 form part of these financial statements.

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**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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.

The Friends of the Wisdom Hospice Limited and its subsidiary (the charitable group) 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.

The financial statements consolidate the accounts of The Friends of the Wisdom Hospice Limited and its subsidiary.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the charitable company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charitable company alone as permitted by section 408 of the Companies Act 2006.

Accounting standards require the directors, who are the Trustees, to consider the appropriateness of the going concern basis when preparing the financial statements. On the basis of detailed projections of income, expenditure and cash flow prepared using appropriate assumptions and in particular those relating to the effects of the COVID-19 pandemic, the Trustees have a reasonable expectation that the charitable company and the group have adequate resources to continue in operational existence for the foreseeable future. The directors believe this to be the case as the charitable group has positive reserves and cash balances. For this reason, the directors consider that the going concern basis remains appropriate and they continue to adopt it in preparing the annual financial statements. Further details regarding this consideration can be found within the Trustees' Report.

**1.2 Company status**

The charitable company is a company limited by guarantee incorporated within the UK. The company's registered number is: 01632714. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £5 per member.

The registered address of the charitable company is:  
High Bank,  
Rochester,  
Kent,  
ME1 2NU.

The principal activity of the charitable company is to promote the relief of suffering and treatment of illness. The aim of the charitable company is to maintain an annual grant to Medway Community Healthcare to not only ensure that the current services are maintained but, where possible, to continually improve upon those services.

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**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting Policies (continued)**

**1.3 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 charitable group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**1.4 Income**

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

For legacies, entitlement is taken as the earlier of the date on which either: the charitable group is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charitable group that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable group has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charitable group, or the charitable group is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**1.5 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 generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the charitable group's operations, including support costs and costs relating to governance apportioned to charitable activities.

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**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting Policies (continued)**

**1.6 Basis of consolidation**

The financial statements consolidate the accounts of The Friends of the Wisdom Hospice Limited and its subsidiary.

**1.7 Tangible fixed assets and depreciation**

Assets are capitalised at the Trustees' discretion, however all items costing more than £5,000 are always capitalised.

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.

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 on the following bases:

Freehold property	-	50 years straight line
Fixtures and fittings	-	5 years straight line
Office equipment	-	5 years straight line
Leasehold fittings	-	over the lease term

**1.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the Statement of financial activities.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 Interest receivable**

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

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**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting Policies (continued)**

**1.11 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.12 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.

**1.13 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.

**1.14 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 group 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.

**1.15 Financial instruments**

The charitable group 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.

**1.16 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 as well as CCG funding and are accounted for on an accruals basis. These are recognised in the SoFA as part of donations and legacies.

The charitable group received £64,450 under the Job Retention scheme (2020: £2,297) and £115,765 in local authority grants (2020: £Nil).

The charitable group received £283,715 from CCG funding (2020: £Nil).



**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting Policies (continued)**

**1.17 Pensions**

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

**1.18 Judgements and estimations**

The charitable group may be required to make estimates and assumptions concerning the future. These estimates and judgements 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 judgement 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 5 years for fixtures and fittings, over the term of the lease for leasehold improvements and 50 years for property, based on experience.

**2. Donations and legacies**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Government grants	463,930	-	463,930	2,297
Donations	302,279	-	302,279	241,147
Legacies	248,275	-	248,275	105,631
Gift aid	40,341	-	40,341	45,421
Other incoming resources	-	-	-	10,282
Subtotal	590,895	-	590,895	402,481
Total donations and legacies	1,054,825	-	1,054,825	404,778
Total 2020	402,603	2,175	404,778	

**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**3. Investment income**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividends and interest received	3,143	-	3,143	7,216
	<u>3,143</u>	<u>-</u>	<u>3,143</u>	<u>7,216</u>
<i>Total 2020</i>	<u>7,216</u>	<u>-</u>	<u>7,216</u>	

**4. Incoming resources from fundraising activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising	58,000	-	58,000	194,504
Lottery	124,775	-	124,775	105,232
Sale of merchandise	5,833	-	5,833	14,568
Sale of donated items	104,338	-	104,338	277,468
	<u>292,946</u>	<u>-</u>	<u>292,946</u>	<u>591,772</u>
<i>Total 2020</i>	<u>591,772</u>	<u>-</u>	<u>591,772</u>	

**5. Other Income**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Insurance claims received	35,812	-	35,812	-
	<u>-</u>	<u>-</u>	<u>-</u>	
<i>Total 2020</i>	<u>-</u>	<u>-</u>	<u>-</u>	



**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**6. Costs of raising funds**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Purchases for resale	3,490	-	3,490	8,990
Fundraising costs	171,591	-	171,591	261,635
Portfolio management fees	12,616	-	12,616	12,240
Fundraising staff costs	332,004	-	332,004	303,191
	<u>519,701</u>	<u>-</u>	<u>519,701</u>	<u>586,056</u>
<i>Total 2020</i>	<u>586,056</u>	<u>-</u>	<u>586,056</u>	

**7. Analysis of expenditure on charitable activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Medway Community Healthcare	669,590	-	669,590	669,883
Other charitable expenditure	-	192	192	7,129
	<u>669,590</u>	<u>192</u>	<u>669,782</u>	<u>677,012</u>
<i>Total 2020</i>	<u>669,883</u>	<u>7,129</u>	<u>677,012</u>	

After restricted expenditure, all remaining costs in both the current and prior year relate to direct expenditure.

**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**8. Analysis of expenditure by expenditure type**

	Staff costs 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Fundraising	332,004	187,697	519,701	586,056
<b>Costs of raising funds</b>	<b>332,004</b>	<b>187,697</b>	<b>519,701</b>	<b>586,056</b>
Medway Community Healthcare	-	669,590	669,590	669,883
Other charitable expenditure	-	192	192	7,129
<b>Charitable activities</b>	<b>-</b>	<b>669,782</b>	<b>669,782</b>	<b>677,012</b>
	<b>332,004</b>	<b>857,479</b>	<b>1,189,483</b>	<b>1,263,068</b>
<i>Total 2020</i>	<i>303,191</i>	<i>959,877</i>	<i>1,263,068</i>	

**9. Net income/(expenditure)**

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets: - owned by the charitable group	21,949	20,660

During the year, no Trustees received any remuneration (2020 - £NIL).

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2020 - £NIL).

**10. Auditor's remuneration**

	2021 £	2020 £
Fees payable to the group's auditor and its associates for the audit of the group's annual accounts	8,005	8,060

**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**11. Staff costs**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	307,670	279,488
Social security costs	16,311	15,983
Other pension costs	8,023	7,720
	<u>332,004</u>	<u>303,191</u>

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

	2021 No.	2020 No.
Fundraising	4	4
Support	3	3
Shops	7	7
	<u>14</u>	<u>14</u>

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

Key personnel emoluments for the year totalled £57,156 (2020: £56,039).

**12. Tangible fixed assets**

Group	Freehold property £	Fixtures and fittings £	Office equipment £	Leasehold fittings £	Total £
<b>Cost</b>					
At 1 April 2020 and 31 March 2021	378,448	113,714	7,213	8,596	507,971
<b>Depreciation</b>					
At 1 April 2020	82,891	41,356	2,645	4,358	131,250
Charge for the year	7,569	12,078	1,442	860	21,949
At 31 March 2021	90,460	53,434	4,087	5,218	153,199
<b>Net book value</b>					
At 31 March 2021	287,988	60,280	3,126	3,378	354,772
At 31 March 2020	295,557	72,358	4,568	4,238	376,721

**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Tangible fixed assets (continued)**

Company	Freehold property £	Office equipment £	Total £
<b>Cost</b>			
At 1 April 2020 and 31 March 2021	378,448	7,213	385,661
<b>Depreciation</b>			
At 1 April 2020	82,891	2,645	85,536
Charge for the year	7,569	1,442	9,011
At 31 March 2021	90,460	4,087	94,547
<b>Net book value</b>			
At 31 March 2021	287,988	3,126	291,114
At 31 March 2020	295,557	4,568	300,125

**13. Fixed asset investments**

Group and company	Listed securities £
<b>Market value</b>	
At 1 April 2020	1,158,039
Additions	536,033
Disposals	(489,505)
Revaluations	75,984
Changes in cash held by fund	(632)
At 31 March 2021	1,279,919

**Group and company investments at market value comprise:**

	2021 £	2020 £
Listed investments	1,279,919	1,158,039

All the fixed asset investments are held in the UK.

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**13. Fixed asset investments (continued)**

**Group and company material investments**

The investment portfolio is managed by investment advisers and includes the following investments which account for more than 5% of the shareholdings invested.

All of these investments are tier 1 investments with readily available market values.

	2021 £	2020 £
Vanguard Investment Series PLC Global Short Term Bond Index Fund	167,195	114,236
Vanguard UK Short Term Investment Grade Bond Index Fund	112,808	-
Royal London - Short Duration Gilts Fund	-	86,478
Mellon Investments Funds ICVC - Newton Global Dynamic Bond Fund	74,684	64,179
AXA Fixed Interest I CVC - US Short Duration High Yield Fund	154,080	154,108
Royal London Short Duration Global High Yield Bond Fund	-	176,822
JPM Global Macro Opportunities Fund	176,683	95,405
Invesco Perpetual Global Targeted Returns Funds	68,507	-
	<u>753,957</u>	<u>691,228</u>

**Unrealised and realised gains/(losses)**

	2021 £	2020 £
Realised gains	60,409	17,039
Unrealised gains/(losses)	75,984	(19,184)
	<u>136,393</u>	<u>(2,145)</u>

**14. Stocks**

	<u>Group</u>		<u>Company</u>	
	2021 £	2020 £	2021 £	2020 £
Finished goods and goods for resale	<u>10,138</u>	<u>9,938</u>	<u>10,138</u>	<u>9,938</u>

Stock expensed to the statement of financial activities in the period totalled £5,796 (2020: £8,990).

There were no impairments against stock in the current year (2020: £Nil).

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**15. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	-	12,000
<b>Due within one year</b>				
Amounts owed by group undertakings	-	-	62,000	42,000
Other debtors	164,484	53,730	122,898	43,853
Prepayments and accrued income	24,829	25,711	8,363	8,333
	<b>189,313</b>	<b>79,441</b>	<b>193,261</b>	<b>106,186</b>

**16. Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	69,891	71,123	57,049	60,257
Other taxation and social security	5,830	4,855	5,830	4,855
Other creditors	7,600	7,843	6,531	6,576
Accruals and deferred income	9,140	9,391	6,575	6,902
	<b>92,461</b>	<b>93,212</b>	<b>75,985</b>	<b>78,590</b>

**17. Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Financial assets held at fair value	1,279,919	1,158,039
Financial assets held at amortised cost	189,313	79,441
	<b>1,469,232</b>	<b>1,237,480</b>
Cash and cash equivalents	550,968	428,086
Financial liabilities held at amortised cost	(92,461)	(93,212)
	<b>458,507</b>	<b>334,874</b>

Financial assets held at fair value consist of listed investments.

Financial assets held at amortised cost consist of trade debtors, other debtors and prepayments.

Cash and cash equivalents relates to cash held.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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**18. Statement of funds**

**Statement of funds - current year - group**

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
General funds	1,956,775	1,386,726	(1,189,291)	136,393	2,290,603
<b>Restricted funds</b>					
Linda Richards Art Therapy fund	140	-	-	-	140
D Hoskins fund	200	-	-	-	200
Mrs Jameson fund	440	-	-	-	440
R Watts fund	1,133	-	-	-	1,133
L Avery fund	325	-	(192)	-	133
	2,238	-	(192)	-	2,046
<b>Total of funds</b>	<b>1,959,013</b>	<b>1,386,726</b>	<b>(1,189,483)</b>	<b>136,393</b>	<b>2,292,649</b>

**Statement of funds - prior year - group**

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	2,213,268	1,001,591	(1,255,939)	(2,145)	1,956,775
<b>Restricted funds</b>					
Linda Richards Art Therapy fund	-	140	-	-	140
The Rugby Group Benevolent fund	1,400	-	(1,400)	-	-
Coralie McKee fund	417	-	(417)	-	-
D Hoskins fund	200	-	-	-	200
Mrs Jameson fund	440	-	-	-	440
R Watts fund	4,410	2,035	(5,312)	-	1,133
L Avery fund	325	-	-	-	325
	7,192	2,175	(7,129)	-	2,238
<b>Total of funds</b>	<b>2,220,460</b>	<b>1,003,766</b>	<b>(1,263,068)</b>	<b>(2,145)</b>	<b>1,959,013</b>

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**18. Statement of funds (continued)**

The Rugby Group Benevolent fund donated a grant to be used to fund the planning and development of a new website.

The Coralie McKee fund was used to fund equipment to assist the comfort of hospice patients.

The D Hoskins fund is to be used to fund the ward within the hospice.

The Mrs Jameson fund is to be used for the development of the wards.

The R Watts fund is to be used for nursing training.

The L Avery fund is to be used for the development of the outside space at the hospice.

The Linda Richards Art Therapy fund is to be used for art therapy.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

**Statement of funds - current year - company**

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
General funds	1,880,583	1,128,024	(965,016)	136,393	2,179,984
	<u>1,880,583</u>	<u>1,128,024</u>	<u>(965,016)</u>	<u>136,393</u>	<u>2,179,984</u>
<b>Restricted funds</b>					
Linda Richards Art Therapy fund	140	-	-	-	140
D Hoskins fund	200	-	-	-	200
Mrs Jameson fund	440	-	-	-	440
R Watts fund	1,133	-	-	-	1,133
L Avery fund	325	-	(192)	-	133
	<u>2,238</u>	<u>-</u>	<u>(192)</u>	<u>-</u>	<u>2,046</u>
<b>Total of funds</b>	<u><u>1,882,821</u></u>	<u><u>1,128,024</u></u>	<u><u>(965,208)</u></u>	<u><u>136,393</u></u>	<u><u>2,182,030</u></u>



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**18. Statement of funds (continued)**

**Statement of funds - prior year - company**

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (losses) £</i>	<i>Balance at 31 March 2020 £</i>
<b>Unrestricted funds</b>					
General funds	2,168,799	733,343	(1,019,414)	(2,145)	1,880,583
	<u>2,168,799</u>	<u>733,343</u>	<u>(1,019,414)</u>	<u>(2,145)</u>	<u>1,880,583</u>
<b>Restricted funds</b>					
The Rugby Group Benevolent fund	1,400	-	(1,400)	-	-
Linda Richards Art Therpay fund	-	140	-	-	140
Coralie McKee fund	417	-	(417)	-	-
D Hoskins fund	200	-	-	-	200
Mrs Jameson fund	440	-	-	-	440
R Watts fund	4,410	2,035	(5,312)	-	1,133
L Avery fund	325	-	-	-	325
	<u>7,192</u>	<u>2,175</u>	<u>(7,129)</u>	<u>-</u>	<u>2,238</u>
<b>Total of funds</b>	<u>2,175,991</u>	<u>735,518</u>	<u>(1,026,543)</u>	<u>(2,145)</u>	<u>1,882,821</u>

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**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Statement of funds (continued)**

**Summary of funds - current year - group**

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	2021 £
General funds	1,956,775	1,386,726	(1,189,291)	136,393	2,290,603
Restricted funds	2,238	-	(192)	-	2,046
Total	<u>1,959,013</u>	<u>1,386,726</u>	<u>(1,189,483)</u>	<u>136,393</u>	<u>2,292,649</u>

**Summary of funds - prior year - group**

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	2021 £
General funds	2,213,268	1,001,591	(1,255,939)	(2,145)	1,956,775
Restricted funds	7,192	2,175	(7,129)	-	2,238
Total	<u>2,220,460</u>	<u>1,003,766</u>	<u>(1,263,068)</u>	<u>(2,145)</u>	<u>1,959,013</u>

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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year - group**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	354,772	-	354,772
Fixed asset investments	1,279,919	-	1,279,919
Current assets	748,373	2,046	750,419
Creditors due within one year	(92,461)	-	(92,461)
	<u>2,290,603</u>	<u>2,046</u>	<u>2,292,649</u>

**Analysis of net assets between funds - prior year - group**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	376,721	-	376,721
Fixed asset investments	1,158,039	-	1,158,039
Current assets	515,227	2,238	517,465
Creditors due within one year	(93,212)	-	(93,212)
	<u>1,956,775</u>	<u>2,238</u>	<u>1,959,013</u>

**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>Group</b>
	<b>2021</b>
	<b>2020</b>
	<b>£</b>
	<b>£</b>
Net income/(expenditure) for the year (as per Statement of Financial Activities)	333,636
	(261,447)
<b>Adjustment for:</b>	
Depreciation charges	21,949
Realised gains on sale of investments	(60,408)
Dividends and interest from investments	(3,143)
Increase in stocks	(200)
Increase in debtors	(109,872)
(Decrease)/increase in creditors	(751)
Revaluations of investments	(75,984)
<b>Net cash provided by/(used in) operating activities</b>	<b>105,227</b>
	<b>(259,218)</b>

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**THE FRIENDS OF THE WISDOM HOSPICE LIMITED AND ITS SUBSIDIARY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Analysis of cash and cash equivalents**

	<b>2021</b>	<b>Group</b> <i>2020</i>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>550,968</b>	<i>428,086</i>
Total	<b>550,968</b>	<i>428,086</i>

Cash and cash equivalents equate net debt.

**22. Contingent assets**

The charitable group has two further claims under its business interruption insurance policy in relation to the closure of the shops within Wisdom Hospice Support. during the COVID-19 pandemic. At this stage, it is not clear if these will be successful or what the likely quantum receivable might be and therefore these have not been recognised within these accounts.

**23. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £8,023 (2020: £7,720). Contributions of £1,163 (2020 - £Nil) were payable to the fund at the balance sheet date.

**24. Operating lease commitments**

At 31 March 2021 the total of the group's future minimum lease payments under non-cancellable operating leases was:

<b>Group</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable:</b>		
Within 1 year	<b>72,511</b>	<i>72,511</i>
Between 1 and 5 years	<b>216,719</b>	<i>244,480</i>
After more than 5 years	<b>77,563</b>	<i>122,312</i>
Total	<b>366,793</b>	<i>439,303</i>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Other financial commitments**

The Friends of the Wisdom Hospice Limited act as a guarantor under an agreement dated 13 June 2013 in respect of a lease on shop premises in Sittingbourne, Kent. As guarantors they are liable for all obligations by virtue of the lease. The annual rent is £25,750, the lease is for 10 years.

The Friends of the Wisdom Hospice Limited act as a guarantor under an agreement dated 22 November 2016 in respect of a lease on shop premises in Chatham, Kent. As guarantors they are liable for all obligations by virtue of the lease. The annual rent is £25,000, the lease is for 10 years with a break clause after 5 years.

The Friends of the Wisdom Hospice Limited act as a guarantor under an agreement dated 2 May 2019 in respect of a lease on shop premises in Rochester, Kent. As guarantors they are liable for all obligations by virtue of the lease. The annual rent is £19,750, the lease is for 10 years with a break clause after 5 years.

**26. 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, this amounted to £124,965 (2020 - £112,846).

Wisdom Hospice Support paid various expenses on behalf of The Friends of the Wisdom Hospice Limited and have been reimbursed fully for these. During the year, this amounted to £Nil (2020: £513).

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 £4,189 (2020: £2,866).

A donation was declared from Wisdom Hospice Support to The Friends of the Wisdom Hospice Limited in respect of the year of £50,000 (2020 - £30,000) and will be paid during the year ending 31 March 2021.

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 2021, the balance outstanding on this loan was £12,000 (2020 - £24,000).

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**27. Principal subsidiaries**

**Wisdom Hospice Support**

Subsidiary name	Wisdom Hospice Support
Company registration number	08130595
Charity registration number	1155857
Basis of control	Control by the Trustees

Total assets as at 31 March 2021	£ 189,096
Total liabilities as at 31 March 2021	£ (78,476)
Total funds as at 31 March 2021	£ 110,620

Gross income for the year ended 31 March 2021	£ 309,423
Expenditure for the year ended 31 March 2021	£ (274,995)
Surplus for the year ended 31 March 2021	£ 34,428

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Turnover	<b>309,423</b>	<i>299,327</i>
Expenditure	<b>274,995</b>	<i>267,605</i>
Surplus/(deficit)	<b>34,428</b>	<i>31,722</i>
Net assets	<b>110,620</b>	<i>76,192</i>

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**28. Comparative Statement of Financial Activities**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Funds 2020 £
<b>Income from:</b>			
Donations and legacies	402,603	2,175	404,778
Fundraising activities	591,772	-	591,772
Investments	7,216	-	7,216
Total income	<u>1,001,591</u>	<u>2,175</u>	<u>1,003,766</u>
<b>Expenditure on:</b>			
Raising funds	586,056	-	586,056
Charitable activities	669,883	7,129	677,012
Total expenditure	<u>1,255,939</u>	<u>7,129</u>	<u>1,263,068</u>
Net gains on investments	<u>(2,145)</u>	<u>-</u>	<u>(2,145)</u>
Net income/(expenditure) before other recognised gains and losses	<u>(256,493)</u>	<u>(4,954)</u>	<u>(261,447)</u>
Net movements in funds	<u>(256,493)</u>	<u>(4,954)</u>	<u>(261,447)</u>
Total funds at 1 April 2019	<u>2,213,268</u>	<u>7,192</u>	<u>2,220,460</u>
Total funds at 31 March 2020	<u><u>1,956,775</u></u>	<u><u>2,238</u></u>	<u><u>1,959,013</u></u>



