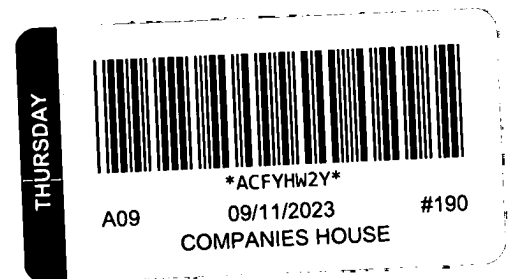


Wisdom Hospice Support
(A Company Limited by Guarantee)

Trustees' report and financial statements

For the Year Ended 31 March 2023



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 Charity, its Trustees and advisers
For the year ended 31 March 2023

Trustees

R C Harris
T P Sillars (Chairman)

Chief executive

M Reeves

Senior management team

J Buck Financial Controller
J Hale-Brown Head of Retail

Company registered number

08130595

Charity registered number

1155857

Independent auditor

UHY Kent LLP t/a UHY Hacker Young
Thames House
Roman Square
Sittingbourne
Kent, ME10 4BJ

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 2023

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 2023. 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) (Charities SORP (FRS 102)(second edition – October 2019)).

STRUCTURE, GOVERNANCE AND MANAGEMENT

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)

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.

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.

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.

OBJECTIVES AND ACTIVITIES

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.

Wisdom Hospice Support

(A company limited by guarantee)

Trustees' report

For the year ended 31 March 2023

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.

Activities for achieving 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.

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.

Volunteers

The charitable company is grateful for the unstinting efforts of its volunteers who are involved in service provision, charity shops and fundraising. Volunteer numbers have been maintained throughout the year. The diverse skill set of our volunteers continues to add value to the charitable company's operations.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

The charitable company opened its first shop in Sittingbourne in September 2013, its second shop in Chatham in February 2017, its third in Rochester in July 2019 and its fourth opened in Sheerness in December 2022. 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:

| | <u>2023</u> | <u>2022</u> |
|-------------------------|-------------|-------------|
| Turnover | £404,455 | £416,510 |
| Surplus before donation | £86,408 | £174,887 |
| Reserves | £281,915 | £285,507 |

FINANCIAL REVIEW

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company

Wisdom Hospice Support

(A company limited by guarantee)

Trustees' report

For the year ended 31 March 2023

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.

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.

Reserves policy

The charitable company's unrestricted reserves as at 31 March 2023 were £281,915 (2022: £285,507).

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 Trustees regard the level of unrestricted reserves in the charitable company at 31 March 2023 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 £204,058 (2022: £234,786), following a donation to its parent undertaking, The Friends of the Wisdom Hospice Limited, of £90,000 (2022: £Nil). The Trustees consider this position to be acceptable as the charitable company has the ongoing support of its parent undertaking.

Principal funding

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.

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 cost of living crisis were considered as part of the assessment.

The Trustees consider the main risks to be as follows:

- 1) The loss of the good reputation of The Wisdom Hospice or The Friends of the Wisdom Hospice Limited as a charity, which would affect the charitable company's ability to encourage donations for sale in its shops.
- 2) A change in current customer buying habits due to their re-evaluation of their need for second-hand/donated goods.
- 3) 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

(A company limited by guarantee)

**Trustees' report
For the year ended 31 March 2023**

PLANS FOR FUTURE PERIODS

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, a site in Rochester is being considered, terms being negotiated, as well the continued expansion into online platforms such as eBay.

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.

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.

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
- Safeguarding 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.

Wisdom Hospice Support

(A company limited by guarantee)

Trustees' report

For the year ended 31 March 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Wisdom Hospice Support 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 including guidance issued for the Implications of COVID-19 control measures and charity financial reporting;
- make judgments 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 company will continue in operation.

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

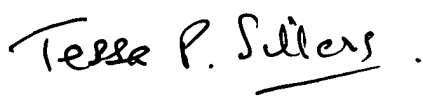
Disclosure of information to auditor

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 company'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 company's auditor is aware of that information.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 6/9/23 2023 and signed on their behalf by:



.....
Mrs T Sillers
Trustee



.....
Mr R Harris
Trustee

Wisdom Hospice Support
(A Company Limited by Guarantee)

Independent auditors' 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 2023 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 2023 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 Auditors' 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
(A Company Limited by Guarantee)

Independent auditors' 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 Auditors' 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.

Independent auditors' 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.

Auditors' 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 Auditors' 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:

How the audit was considered capable of detecting irregularities, including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience in the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charitable company, including the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent auditors' report to the Members of Wisdom Hospice Support (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' Report.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 12 September 2023

Wisdom Hospice Support
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 March 2023

| | Note | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------------------|------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | |
| Donations and legacies | 3 | 22,143 | 22,143 | 29,407 |
| Other trading activities | 4 | 382,312 | 382,312 | 322,720 |
| Other income | 5 | - | - | 64,383 |
| Total income | | 404,455 | 404,455 | 416,510 |
| Expenditure on: | | | | |
| Raising funds | 6 | 318,047 | 318,047 | 241,623 |
| Charitable activities | 7 | 90,000 | 90,000 | - |
| Total expenditure | | 408,047 | 408,047 | 241,623 |
| Net movement in funds | | (3,592) | (3,592) | 174,887 |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 285,507 | 285,507 | 110,620 |
| Net movement in funds | | (3,592) | (3,592) | 174,887 |
| Total funds carried forward | | 281,915 | 281,915 | 285,507 |

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

The notes on pages 13 to 24 form part of these financial statements.

Wisdom Hospice Support
(A Company Limited by Guarantee)
Registered number: 08130595

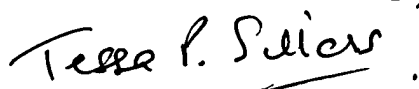
Balance Sheet
As at 31 March 2023

| | Note | 2023 £ | 2022 £ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 77,857 | 50,721 |
| | | <u>77,857</u> | <u>50,721</u> |
| Current assets | | | |
| Debtors | 12 | 38,924 | 78,563 |
| Cash at bank and in hand | | 230,247 | 179,085 |
| | | <u>269,171</u> | <u>257,648</u> |
| Creditors: amounts falling due within one year | 13 | (65,113) | (22,862) |
| Net current assets | | <u>204,058</u> | <u>234,786</u> |
| Total assets less current liabilities | | <u>281,915</u> | <u>285,507</u> |
| Net assets excluding pension asset | | <u>281,915</u> | <u>285,507</u> |
| Total net assets | | <u><u>281,915</u></u> | <u><u>285,507</u></u> |
| Charity funds | | | |
| Restricted funds | 15 | - | - |
| Unrestricted funds | 15 | 281,915 | 285,507 |
| Total funds | | <u><u>281,915</u></u> | <u><u>285,507</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 6/9/23 and signed on their behalf by:



Tessa Sillars



Raymond Harris

The notes on pages 13 to 24 form part of these financial statements.

Wisdom Hospice Support
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

1. General information

The charitable company is a company limited by guarantee (company number 08130595). The members of the charitable company are the trustees named on page 3. 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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events, on the business in making their assessment. This analysis also considers the effectiveness of available measures to assist in mitigating the impact. More information can be found in the Trustees Report.

Based on these assessments and having regard to the resources available to the entity, the Trustees have concluded there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.3 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.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 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.

2.5 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.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Government grants

Government grants relate to amount 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 accrual basis. These are recognised in the SoFA as part of donations and legacies.

The charitable company received £Nil under the Job Retention scheme (2022: £923) and £Nil in local authority grants (2022: £10,667).

Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Gift Aid

In the case of a Gift Aid payment made within the Group, income is accrued when the payment is payable to the Parent Company under a legal obligation. Measurement is at the fair value receivable, which will normally be the transaction value.

Where the right to receive Gift Aid has been established, the amount receivable is recognised as investment income in the Statement of Financial Activities.

2.9 Tangible fixed assets and depreciation

All assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|------------------------------|---|---------------------------------|
| Long-term leasehold property | - | Over the lease term of 10 years |
| Fixtures and fittings | - | 20% Straight line |

2.10 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.

2.11 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.

Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.12 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 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 in the Statement of Financial Activities as a finance cost.

2.13 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.

2.14 Operating leases

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

2.15 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.

2.16 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.

2.17 Volunteers

The charitable company is grateful for the unstinting efforts of its volunteers who are involved in service provision, charity shops and fundraising. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not included in the financial statements.

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Notes to the Financial Statements
For the Year Ended 31 March 2023

3. Income from donations and legacies

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------------------------|--|---------------------------------------|---------------------------------------|
| Donations and gift aid received | 22,143 | 22,143 | 17,817 |
| Government grants | - | - | 11,590 |
| Total 2023 | 22,143 | 22,143 | 29,407 |
| <i>Total 2022</i> | <i>29,407</i> | <i>29,407</i> | |

4. Income from raising funds

Income from non charitable trading activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------|--|---------------------------------------|---------------------------------------|
| Shop income | 382,312 | 382,312 | 322,720 |
| <i>Total 2022</i> | <i>322,720</i> | <i>322,720</i> | |

5. Other incoming resources

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------------------|--|---------------------------------------|---------------------------------------|
| Insurance claims received | - | - | 64,383 |
| <i>Total 2022</i> | <i>64,383</i> | <i>64,383</i> | |

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Notes to the Financial Statements
For the Year Ended 31 March 2023

6. Expenditure on raising funds

Fundraising trading expenses

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------------|--|---------------------------------------|---------------------------------------|
| Rent | 74,060 | 74,060 | 66,177 |
| Audit & accountancy | 11,835 | 11,835 | 2,575 |
| Stationery | 589 | 589 | 195 |
| Subscriptions | 309 | 309 | 286 |
| Rates | 4,188 | 4,188 | 2,050 |
| Travel expenses | 1,428 | 1,428 | 476 |
| Utilities | 17,129 | 17,129 | 8,583 |
| Telephone and broadband | 1,491 | 1,491 | 1,084 |
| Repairs and maintenance | 4,001 | 4,001 | 2,228 |
| Recruitment | 1,127 | 1,127 | 150 |
| General expenses | 1,166 | 1,166 | 725 |
| Staff training | - | - | 253 |
| Insurance | 3,746 | 3,746 | 3,260 |
| Consumables | 9,939 | 9,939 | 4,267 |
| Refuse | 4,980 | 4,980 | 4,443 |
| IT | 4,570 | 4,570 | 3,574 |
| Bank charges | 7,057 | 7,057 | 5,841 |
| Professional fees | 850 | 850 | - |
| Wages and salaries | 144,729 | 144,729 | 113,297 |
| National insurance | 9,724 | 9,724 | 7,225 |
| Pension costs | 2,502 | 2,502 | 1,997 |
| Depreciation | 12,627 | 12,627 | 12,937 |
| | 318,047 | 318,047 | 241,623 |
| <i>Total 2022</i> | 241,623 | 241,623 | |

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Notes to the Financial Statements
For the Year Ended 31 March 2023

7. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2023 £ | Total 2023 £ | Total 2022 £ |
|---|--|-----------------------------|-----------------------------|
| Donation to The Friends of the Wisdom Hospice | 90,000 | 90,000 | - |

8. Auditors' remuneration

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 2,950 | 2,575 |

9. Staff costs

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Wages and salaries | 144,729 | 113,297 |
| Social security costs | 9,724 | 7,225 |
| Contribution to defined contribution pension schemes | 2,502 | 1,997 |
| | 156,955 | 122,519 |

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

| | 2023 No. | 2022 No. |
|-----------|---------------------|---------------------|
| Employees | 7 | 7 |

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 (2022: £Nil).

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Notes to the Financial Statements
For the Year Ended 31 March 2023

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

11. Tangible fixed assets

| | Leasehold costs £ | Fixtures and fittings £ | Total £ |
|-----------------------|-------------------------|-------------------------------|------------|
| Cost | | | |
| At 1 April 2022 | 8,596 | 113,714 | 122,310 |
| Additions | 1,760 | 38,002 | 39,762 |
| At 31 March 2023 | 10,356 | 151,716 | 162,072 |
| Depreciation | | | |
| At 1 April 2022 | 6,077 | 65,512 | 71,589 |
| Charge for the year | 919 | 11,707 | 12,626 |
| At 31 March 2023 | 6,996 | 77,219 | 84,215 |
| Net book value | | | |
| At 31 March 2023 | 3,360 | 74,497 | 77,857 |
| At 31 March 2022 | 2,519 | 48,202 | 50,721 |

12. Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Due within one year | | |
| Other debtors | 11,378 | 56,766 |
| Prepayments and accrued income | 27,546 | 21,797 |
| | 38,924 | 78,563 |

Wisdom Hospice Support
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Notes to the Financial Statements
For the Year Ended 31 March 2023

13. Creditors: Amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Amounts owed to group undertakings | 40,000 | 685 |
| Other creditors | 19,425 | 18,592 |
| Accruals and deferred income | 5,688 | 3,585 |
| | <u>65,113</u> | <u>22,862</u> |

14. Financial instruments

| | 2023 | 2022 |
|--|----------------|----------------|
| | £ | £ |
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | <u>230,247</u> | <u>179,085</u> |

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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Notes to the Financial Statements
For the Year Ended 31 March 2023

15. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Balance at 31 March 2023 £ |
|---------------------------|--|---------------------|--------------------------|---|
| Unrestricted funds | | | | |
| General funds | 285,507 | 404,455 | (408,047) | 281,915 |

Statement of funds - prior year

| | Balance at 1 April 2021 £ | Income £ | Expenditure £ | Balance at 31 March 2022 £ |
|---------------------------|--|---------------------|--------------------------|---|
| Unrestricted funds | | | | |
| General funds | 110,620 | 416,510 | (241,623) | 285,507 |

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|-------------------------------|--|---------------------------------------|
| Tangible fixed assets | 77,857 | 77,857 |
| Current assets | 269,171 | 269,171 |
| Creditors due within one year | (65,113) | (65,113) |
| Total | 281,915 | 281,915 |

Wisdom Hospice Support
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2023

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

17. Pension commitments

The charitable company operates a defined contribution 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 £2,502 (2022: £1,997). No pension contributions were payable by the charitable company at 31 March 2023 or 31 March 2022.

18. Operating lease commitments

At 31 March 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Not later than 1 year | 64,688 | 70,500 |
| Later than 1 year and not later than 5 years | 180,917 | 177,104 |
| Later than 5 years | 85,521 | 41,146 |
| | 331,126 | 288,750 |

Notes to the Financial Statements
For the Year Ended 31 March 2023

19. Related party transactions

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.

The results of the company for the year ended 31 March 2023 are consolidated in the financial accounts of the parent charitable company and are available from Companies House.

The only related party transactions were with the parent charitable company.

As a subsidiary undertaking of The Friends of the Wisdom Hospice the charitable company has taken advantage of the exemption in FRS 102 from disclosing transactions with the parent charitable company.

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.