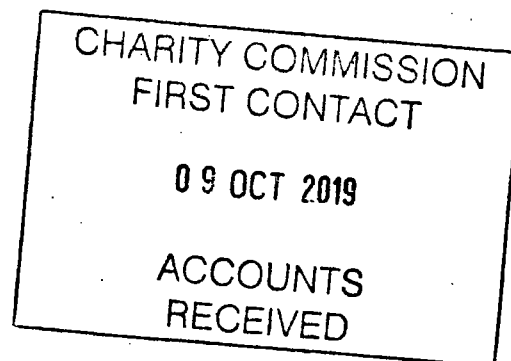


Registered number: 08130595
Charity number: 1155857

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

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WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees

R C Harris
J A Shirley
T P Sillars (Chairman)

Chief executive

M Reeves

Company registered number

08130595

Charity registered number

1155857

Independent auditor

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

Bankers

NatWest, 148 High Street, Chatham, ME4 4DB

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 2019

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 2019. 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charitable company 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. 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
J A Shirley
T P Sillars (Chairman)

b. Constitution

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

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

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

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

c. Method of appointment or election of Trustees

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

d. Policies adopted for the induction and training of Trustees

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

Objectives and activities

a. Policies and objectives

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

b. Strategies for achieving objectives

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

c. Activities 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.

d. Compliance with the Charity Governance Code

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

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

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

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

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

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

f. Volunteers

The charitable company is grateful for the unstinting efforts of its volunteers who are involved in service provision, charity shops and fundraising. We wish to thank our friends for their loyal support.

Achievements and performance

a. Review of activities

The charitable company opened its first shop in Sittingbourne in September 2013 and its second shop in Chatham in February 2017. 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>2019</u> | <u>2018</u> |
|-------------------------|-------------|-------------|
| Turnover | £234,921 | £209,128 |
| Surplus before donation | £ 59,492 | £ 28,471 |
| Reserves | £ 44,470 | £ 44,978 |

Financial review

a. Going concern

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

b. Financial risk management objectives and policies

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

c. Reserves policy

The charitable company's unrestricted reserves as at 31 March 2019 were £44,470 (2018: £44,978).

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

The charitable company is supported by a loan from The Friends of the Wisdom Hospice Limited, which provides funds for the operation of the charitable company. Taking this loan into account, the Trustees regard the level of unrestricted reserves in the charitable company at 31 March 2019 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.

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

The unrestricted reserves after removing tangible fixed assets as at the year end were a deficit of £2,402 (2018 - £8,043), following a donation to its parent undertaking, The Friends of the Wisdom Hospice Limited, of £60,000 (2018 - £30,000). The Trustees consider this position to be acceptable as the charitable company has the ongoing support of its parent undertaking.

d. Principal funding

As detailed above, principal funding is derived via a loan from The Friends of the Wisdom Hospice Limited as well as from the reserves of the charitable company.

e. Risk management

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The 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 secondhand/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.

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. A third shop in Rochester was opened in July 2019.

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

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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

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.

Trustees' responsibilities statement

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;
- 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

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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.

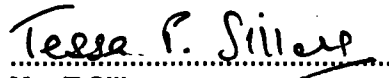
Disclosure of information to auditor

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.

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

This report was approved by the Trustees, on 6/9/19 and signed on their behalf by:



Mrs T Sillars
Trustee



Mr R Harris
Trustee

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Wisdom Hospice Support (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

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

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.
- the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its 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 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.

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

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

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

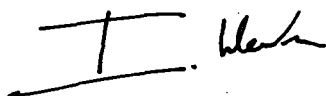
misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



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

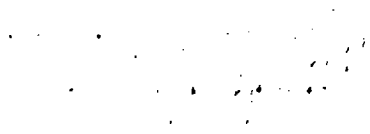
1 October 2019

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

| | Note | Unrestricted funds 2019 £ | Total funds 2019 £ | Unrestricted funds 2018 £ |
|--|------|------------------------------------|-----------------------------|------------------------------------|
| Income from: | | | | |
| Donations | 3 | 16,075 | 16,075 | 12,640 |
| Charitable activities | 4 | 218,846 | 218,846 | 196,488 |
| Total income | | <u>234,921</u> | <u>234,921</u> | <u>209,128</u> |
| Expenditure on: | | | | |
| Raising funds | | 175,429 | 175,429 | 180,657 |
| Charitable activities: Donation to The Friends of the Wisdom Hospice Limited | 5 | 60,000 | 60,000 | 30,000 |
| Total expenditure | 6 | <u>235,429</u> | <u>235,429</u> | <u>210,657</u> |
| Net expenditure before other recognised gains and losses | | (508) | (508) | (1,529) |
| Net movement in funds | | (508) | (508) | (1,529) |
| Reconciliation of funds: | | | | |
| Total funds brought forward | | 44,978 | 44,978 | 46,507 |
| Total funds carried forward | | <u>44,470</u> | <u>44,470</u> | <u>44,978</u> |

The notes on pages 13 to 22 form part of these financial statements.



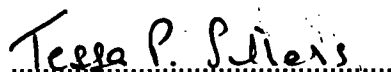
WISDOM HOSPICE SUPPORT
(A company limited by guarantee)
REGISTERED NUMBER: 08130595

BALANCE SHEET
AS AT 31 MARCH 2019

| | Note | £ | 2019 £ | £ | 2018 £ |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 46,872 | | 53,021 |
| Current assets | | | | | |
| Debtors | 11 | 23,161 | | 25,947 | |
| Cash at bank and in hand | | 76,526 | | 54,670 | |
| | | <u>99,687</u> | | <u>80,617</u> | |
| Creditors: amounts falling due within one year | 12 | <u>(78,089)</u> | | <u>(52,660)</u> | |
| Net current assets | | | <u>21,598</u> | | <u>27,957</u> |
| Total assets less current liabilities | | | <u>68,470</u> | | <u>80,978</u> |
| Creditors: amounts falling due after more than one year | 13 | | <u>(24,000)</u> | | <u>(36,000)</u> |
| Net assets | | | <u>44,470</u> | | <u>44,978</u> |
| Charity Funds | | | | | |
| Unrestricted funds | | | <u>44,470</u> | | <u>44,978</u> |
| Total funds | | | <u>44,470</u> | | <u>44,978</u> |

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 6/9/19 and signed on their behalf by:


Mrs T Sillars - Trustee


Mr R Harris - Trustee

The notes on pages 13 to 22 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 2019

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 2015) as amended by Update Bulletin 1 (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Wisdom Hospice Support meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy

1.2 Company status

The charitable company is a company limited by guarantee (company number 08130595). The members of the charitable company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charitable company.

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

The charitable company's registered office is

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

1.3 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 company and which have not been designated for other purposes.

1.4 Income

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

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

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

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

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 raising 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 company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 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.

1.7 Tangible fixed assets and depreciation

All assets are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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

1.8 Interest receivable

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

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

1.9 Operating leases

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

1.10 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.

1.11 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.

1.12 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 charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

1.14 Pensions

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

1.15 Going concern

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

WISDOM HOSPICE SUPPORT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

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

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

3. Income from donations and legacies

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Unrestricted funds 2018 £ |
|---------------------------------|------------------------------------|-----------------------------|------------------------------------|
| Donations and gift aid received | 16,075 | 16,075 | 12,640 |
| <i>Total 2018</i> | <i>12,640</i> | <i>12,640</i> | |

4. Income from charitable activities

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Unrestricted funds 2018 £ |
|-------------------|------------------------------------|-----------------------------|------------------------------------|
| Shop income | 218,846 | 218,846 | 196,488 |
| <i>Total 2018</i> | <i>196,488</i> | <i>196,488</i> | |

5. Direct costs

| | Charitable activities £ | Total 2019 £ | Total 2018 £ |
|---|-------------------------------|--------------------|--------------------|
| Donation to The Friends of the Wisdom Hospice Limited | 60,000 | 60,000 | 30,000 |
| <i>Total 2018</i> | <i>30,000</i> | <i>30,000</i> | |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Analysis of expenditure by expenditure type

| | Staff costs 2019 £ | Depreciation 2019 £ | Other running costs 2019 £ | Total 2019 £ | Total 2018 £ |
|---|--------------------------|---------------------------|--|--------------------|--------------------|
| Shop running costs | 77,865 | 6,149 | 91,415 | 175,429 | 180,657 |
| Costs of raising funds | 77,865 | 6,149 | 91,415 | 175,429 | 180,657 |
| Donation to The Friends of the Wisdom Hospice Limited | - | - | 60,000 | 60,000 | 30,000 |
| | 77,865 | 6,149 | 151,415 | 235,429 | 210,657 |
| Total 2018 | 64,399 | 7,250 | 139,008 | 210,657 | |

7. Net income/(expenditure)

This is stated after charging:

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets: - owned by the charity | 6,149 | 7,250 |

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £NIL).

8. Auditors' remuneration

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Fees payable to the company's auditor and its associates for the audit of the company's annual accounts | 2,250 | 2,250 |
| Fees payable to the company's auditor and its associates in respect of: | | |
| Taxation compliance services | - | 400 |
| All taxation advisory services not included above | 270 | 2,210 |
| All other non-audit services not included above | - | 76 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Staff costs

Staff costs were as follows:

| | 2019 £ | 2018 £ |
|-----------------------|---------------|---------------|
| Wages and salaries | 72,071 | 59,192 |
| Social security costs | 4,947 | 4,791 |
| Other pension costs | 847 | 416 |
| | <u>77,865</u> | <u>64,399</u> |

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

| | 2019 No. | 2018 No. |
|-------|-------------|-------------|
| Staff | 4 | 3 |

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 (2018 - £Nil).

10. Tangible fixed assets

| | Fixtures and fittings £ | Leasehold costs £ | Total £ |
|-----------------------------------|-------------------------------|-------------------------|------------|
| Cost | | | |
| At 1 April 2018 and 31 March 2019 | 72,342 | 8,596 | 80,938 |
| Depreciation | | | |
| At 1 April 2018 | 25,278 | 2,639 | 27,917 |
| Charge for the year | 5,289 | 860 | 6,149 |
| At 31 March 2019 | 30,567 | 3,499 | 34,066 |
| Net book value | | | |
| At 31 March 2019 | 41,775 | 5,097 | 46,872 |
| At 31 March 2018 | 47,064 | 5,957 | 53,021 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|---------------|---------------|
| Other debtors | 8,201 | 17,587 |
| Prepayments and accrued income | 14,960 | 8,360 |
| | <u>23,161</u> | <u>25,947</u> |

12. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Amounts due to The Friends of the Wisdom Hospice Limited | 72,000 | 42,000 |
| Trade creditors | 2,429 | 2,267 |
| Other taxation and social security | - | 4,391 |
| Other creditors | 604 | 516 |
| Accruals and deferred income | 3,056 | 3,486 |
| | <u>78,089</u> | <u>52,660</u> |

13. Creditors: Amounts falling due after more than one year

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Loan from The Friends of the Wisdom Hospice Limited | 24,000 | 36,000 |

14. Statement of funds

| Statement of funds - current year | Balance at 1 April 2018 £ | Income £ | Expenditure £ | Balance at 31 March 2019 £ |
|--|---------------------------------|----------------|------------------|----------------------------------|
| Unrestricted funds | | | | |
| General funds | <u>44,978</u> | <u>234,921</u> | <u>235,429</u> | <u>44,470</u> |
| Statement of funds - prior year | | | | |
| | Balance at 1 April 2017 £ | Income £ | Expenditure £ | Balance at 31 March 2018 £ |
| Unrestricted funds | | | | |
| General funds | <u>46,507</u> | <u>209,128</u> | <u>210,657</u> | <u>44,978</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Total funds 2019 £ |
|-------------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 46,872 | 46,872 |
| Current assets | 99,687 | 99,687 |
| Creditors due within one year | (78,089) | (78,089) |
| Creditors due in more than one year | (24,000) | (24,000) |
| | <u>44,470</u> | <u>44,470</u> |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2018 £ | Total funds 2018 £ |
|-------------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 53,021 | 53,021 |
| Current assets | 80,617 | 80,617 |
| Creditors due within one year | (52,660) | (52,660) |
| Creditors due in more than one year | (36,000) | (36,000) |
| | <u>44,978</u> | <u>44,978</u> |

16. Pension commitments

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £847 (2018 - £416). No pension contributions were payable by the charitable company at 31 March 2019 or 31 March 2018.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Operating lease commitments

At 31 March 2019 the total of the charitable company's future minimum lease payments under non-cancellable operating leases was:

| | 2019 £ | 2018 £ |
|-------------------------|----------------|----------------|
| Amounts payable: | | |
| Within 1 year | 50,750 | 50,000 |
| Between 1 and 5 years | 183,688 | 200,000 |
| After more than 5 years | 66,667 | 97,917 |
| Total | 301,105 | 347,917 |

18. Related party transactions

The Friends of the Wisdom Hospice Limited paid various expenses on behalf of Wisdom Hospice Support and have been reimbursed fully for these. During the year under review, the total of these expenses amounted to £78,809 (2018 - £65,438).

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 under review, the total of these expenses amounted to £1,045 (2018 - £Nil).

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 2019, the balance outstanding on this loan was £36,000 (2018 - £48,000).

A donation was declared from Wisdom Hospice Support to The Friends of the Wisdom Hospice Limited in respect of the year of £60,000 (2018 - £30,000) and will be paid during the year ending 31 March 2020.

19. Ultimate parent undertaking and 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.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Comparative Statement of Financial Activities

| | Unrestricted Funds £ | Total Funds £ |
|---|----------------------------|---------------------|
| Income from: | | |
| Donations | 12,640 | 12,640 |
| Charitable activities | 196,488 | 196,488 |
| | <hr/> | <hr/> |
| Total income | 209,128 | 209,128 |
| Expenditure on: | | |
| Raising funds | 180,657 | 180,657 |
| Charitable activities: Donation to The Friends of the Wisdom Hospice Limited | 30,000 | 30,000 |
| | <hr/> | <hr/> |
| Total expenditure | 210,657 | 210,657 |
| | <hr/> | <hr/> |
| Net expenditure before other recognised gains and losses | (1,529) | (1,529) |
| | <hr/> | <hr/> |
| Total funds at 1 April 2017 | 46,507 | 46,507 |
| | <hr/> | <hr/> |
| Total funds at 31 March 2018 | <u>44,978</u> | <u>44,978</u> |