



**HAMILTON LODGE TRUST
LIMITED**

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

**For the Year ended
31 MAY 2012**

HAMILTON LODGE TRUST LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 MAY 2012

Company registration number	489657
Charity number	306080
Registered office	First Floor 32 Market Place Burgess Hill West Sussex RH15 9NP
Trustees	P J Jackson Mrs H S Akester Mrs M Bartholomew Dr P Dobrowolski Mrs P E Duffill Ms J C A Foster M Green V Hancox Mrs A Hancox M Hayes S Howell M Rowe D J D Yiend Mrs C Yorath
Secretary	I Mackrory-Jamieson
Bankers	Barclays Bank plc Level 28 1 Churchill Place London E14 5HP
Solicitors	asb law Innovis House 108 High Street Crawley West Sussex RH10 1AS

HAMILTON LODGE TRUST LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 MAY 2012

Auditor

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

HAMILTON LODGE TRUST LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 MAY 2012

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The trustees present their report together with the audited financial statements for the year ended 31 May 2012. The trustees and trustees' report constitute the directors and directors' report for Companies Act purposes.

These financial statements comply with current statutory requirements, the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in March 2005 (SORP 2005), and with the requirements of the charity's governing document.

Structure, governance and management

(i) Constitution

Hamilton Lodge Trust Limited is a company limited by guarantee, governed by a Memorandum and Articles of Association. The company is registered with the Charity Commissioners as a charity whose purpose is to establish and maintain a home to provide care in an atmosphere of love, hope and compassion for people with mental handicap, physical disabilities, sensory disabilities or mental or physical frailty. Additionally, to provide care for these people into their old age and for other people who need such care due to their mental or physical frailty.

The charity is a company limited by guarantee having no share capital and in accordance with Clause 6 of the Memorandum of Association every member of the charity is liable to contribute a sum not exceeding £2 10 in the event of the charity being wound up.

(ii) Structure

Hamilton Lodge Trust Limited ("HL") is a subsidiary of The Disabilities Trust ("DT") and registered charity, based near Colchester, which offers accommodation and support services to adults with a learning disability and those with autism. Service users live in a range of accommodation including fully furnished studio apartments in modern single storey buildings. The service is designed to support the needs of people who may also have additional complex needs including physical disability, dementia and mental health needs. HL can support up to 34 people.

The charity has developed a range of specialist accommodation to assist in reintegration and community living.

(iii) Governance and decision making

The charity is governed by its Board of Trustees which meets at least eight times a year to review the monthly management accounts, to receive reports from the various sub committees and the senior management team and to consider any other relevant matters.

The trustees have delegated the day to day management of the charity to a senior management team comprising the Chief Executive and a number of executive directors. The senior management team meets monthly.

The trustees have also established a number of sub committees with membership and specific terms of reference. Details of these committees are given in the annual report of the parent charity, DT.

Structure management and governance (continued)

(iv) Selection, recruitment, induction and training of trustees

Trustees are recruited by personal recommendation, or advertising in national newspapers and other specifically targeted publications. The Nominations Committee shortlists candidates and the applicants then go through an interview and selection process in a similar fashion to employees of the charity. The aim of the process is not only to ensure that suitable people are appointed as trustees but also to ensure that the Board of Trustees comprises people from a wide range of backgrounds and experience. If selected, their appointment is later confirmed at the Annual General Meeting of the charity.

On election by members, new trustees go through a detailed induction and training process. This comprises a day at the charity's Central Support Office being briefed on a variety of matters including, development history, strategic plans, the senior management team, the interface between the Board and the Executive, risk management and the responsibilities of charity trustees. They are also supplied with a trustee information pack covering these areas.

(v) Constitutional provisions relating to trustees

Trustees are elected at the Annual General Meeting ("AGM"). At every AGM, one third of the trustees are required to retire being the trustees who have been longest in office since their last election. Trustees retiring by rotation are eligible for re-election. Trustees may also be co-opted to the Board and are eligible for election at the next AGM.

Public benefit

The trustees review the charity's aims and objectives each year. This review looks at what the charity has achieved and the outcomes of its work in the previous twelve months. The review looks at the success of each key activity and the benefits they have brought to those groups of people the charity is set up to help. The review also helps to ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The principal funding sources for the fees charged by the charity are local government authorities and Primary Care Trusts. Service users are means tested by these funders to ensure that no-one is excluded from care by reason of poverty. In many cases the charity provides care notwithstanding that funders delay payment pending agreement on inflationary increases in fee levels.

All trustees give their time voluntarily and receive no benefits from the charity, although three are resident service users of DT, funded in the usual way. Any expenses claimed from the charity are set out in Note 4 to the financial statements.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

During the year ended 31 May 2012, in line with objectives previously set, the charity's achievements were

Learning disability services

- Some of the accommodation at Hamilton Lodge has been redesigned to enable individuals to live more independently

Autism services

- Marketing the new accommodation at Hamilton Lodge has proved very successful with new relationships being forged with local providers and commissioners

Financial review

Total incoming resources of the charity amounted to £1,538,529 in 2012 compared to £1,661,266 in 2011. Fee income fell by £97,364 in 2012 (2011 £28,090 increase) mainly arising from a fall in occupancy levels. Total resources expended increased from £1,605,406 in 2011 to £1,742,544 in 2012. The net effect is a net deficit of £204,015 in 2012 compared to a net surplus of £55,860 in 2011. The main reasons for the change in result from 2011 are the phased admissions to the bungalows associated with the complex needs of the service users resulting in a perceived fall in occupancy levels and a consequent reduction of £97,364 in fee income, together with associated increased staff costs of £109,416. This situation is expected to be relieved during the financial year to 31 May 2013.

As stated in the accounting policies on page 13 and in note 15 to the financial statements, changes made by Essex County Council to the defined benefit pension scheme in which the charity participates resulted in the charity being required to fully adopt Financial Reporting Standard 17 Retirement Benefits (FRS17) for the first time last year. The charity's net liability to the pension fund in respect of its employers has been calculated by actuaries as being £365,000 at 31 May 2012 (2011 £150,000), an increase of £215,000 (2011 £150,000).

The net movement in funds after taking into account the £215,000 pension deficit is a net deficit of £418,023 on unrestricted funds and a net deficit of £992 on restricted funds which have been transferred to reserves.

The principal funding sources are statutory funding and resources are expended to the benefit of the charity's service users.

Market value of land and buildings

The trustees are of the opinion that the open market value of the freehold land and buildings is in excess of the book amount, however in the absence of a professional valuation of the property, which would be costly, they are unable to accurately predict the excess.

In view of the nature of the charity's operations, the trustees consider that it is more appropriate to value the charity's properties by reference to income streams.

Reserves

The net outgoing resources and other recognised gains and losses for the year withdrawn from reserves amounts to £419,015 (2011 £93,904).

Reserves (continued)

At 31 May 2012 the charity had a deficiency on net funds of £442,312 (2011 £23,297), of which a surplus of £16,797 (2011 £17,789) was held on restricted income funds. The trustees have considered their policy on reserves and have designated the funds, which represent the investment made in fixed assets for use by the charity. The total designated fixed asset reserve required is currently £2,418,801 (2011 £2,317,389). Due to the shortfall on general funds, the designated funds have been reduced by £2,418,801 (2011 £2,208,475) and currently stand at £nil (2011 £108,914).

The policy of the charity is to expend services to provide the unmet needs of people with disabilities. Due to the volatility of the niche market in which the charity operates, the trustees ideally seek to maintain a level of other reserves equivalent to the cost of covering staff salaries for 6 months which would equate to £607,415 (2011 £556,928). The current level of unrestricted available reserves is in deficit by £94,109 (2011 £41,086) and does not meet this target, however, the trustees consider that the action they are taking to rationalise and remodel the service will restore the service to surplus. In the meantime, the parent charity has agreed to provide such support as is required to enable the charity to continue operating for the foreseeable future being at least twelve months. Taking these factors into account, the trustees consider that the current reserves will be sufficient to ensure the ongoing financial viability of the existing service.

Plans for future periods

Learning disability services

- To re-develop the Selborne Court service provision specialising in supporting people with a learning disability and dementia within the local community

Autism services

- Seek to increase the service provision in the area of adult support for people with Autism Spectrum Condition
- Develop the life long learning thread throughout the service
- Develop key performance outcomes to differentiate the services and highlight quality and value for money

Risk management

The trustees acknowledge their responsibility for the system of internal control and reviewing its effectiveness, as part of DT's risk management process

The principal features of the systems of risk management and financial control include

- a strategic planning and review process
- identification and management of risks for the charity and group
- an annual operational planning and budgeting process
- monthly reviews of the management accounts for each division of the charity and explanations of any major variances from budgeted figures
- an audit committee made up of trustees and other co-opted professional members who discuss with external auditors the scope of the annual audit and any matters raised by them for the attention of the senior management team and trustees
- an effective internal financial control and quality assurance function

The trustees have

- assessed the types and level of risks faced by the charity
- considered the level of risk which they regard as acceptable
- instituted operating standards, policies and procedures which help to identify and minimise risks, and their incidence
- identified those areas of the charity's operations which may involve higher risk and focused the attention of staff on these areas
- reviewed the procedures for reporting incidences immediately to the appropriate level of management

The single most significant identified risk is the ability of the charity's funders to be able to continue funding at an appropriate level

The trustees also consider a major risk to the charity is that of damage to its reputation. Therefore, focus is given to ensure its protection and in particular, that all staff are made aware of the importance of the charity's reputation to its success in achieving its objectives

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Such systems are designed to manage risk and can provide only reasonable, not absolute, assurance of preventing fraud or other irregularities.

A review of the charity's operations, policies and procedures with regard to the management of risk is regularly undertaken being at least annually.

Fund held as custodian trustees

At the year end, the charity held monies totalling £2,471 (2011 £1,856) on behalf of its clients. These monies are not included within the balance sheet and are held separately in clearly identifiable bank accounts.

Trustees

The trustees who held office during the year were as follows

P J Jackson	Chair
Mrs H S Akester	(Vice Chair)
Mrs M Bartholomew	
Dr P Dobrowolski	
Mrs P E Duffill	
Ms J C A Foster	
M Green	
V Hancox	
Mrs A Hancox	
M Hayes	
S Howell	
M Rowe	
D J D Yiend	
Mrs C Yorath	

Employees

All staff engaged in the provision of services are employed by the parent charity, DT

The charity has continued to demonstrate its commitment to effective communication, both formally and informally, adopting communication processes appropriate to its needs

DT holds the Investors in People award and continues to maintain and improve where appropriate the highest possible standards. This reflects the value and contribution of all staff

It is the policy of the charity to promote equality of employment by giving full and fair consideration to applications from disabled people for vacancies where particular requirements are considered to be within their skills and experience. In the case of existing employees who may become disabled, every effort is made to retain them within the workforces, subject, if necessary, to retraining. Training, career development and promotion opportunities apply equally to all employees, taking into consideration their aptitudes and abilities

It is also the policy of the charity to maintain and develop the involvement of all employees in its affairs. Local managers provide, on a regular basis, information of concern to employees using a variety of methods such as business review meetings, briefing discussions and training sessions. The views of employees are also sought on matters affecting them

Staff are kept informed of activities across the organisation through, for example, the parent charity's periodical newsletter and other communications distributed centrally

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Act

ON BEHALF OF THE BOARD

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

Mr P J Jackson
Chair

24 September 2012

Statement of trustees' responsibilities

The trustees (who are also directors of Hamilton Lodge Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 judgements and estimates that are reasonable and prudent
- state whether UK applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

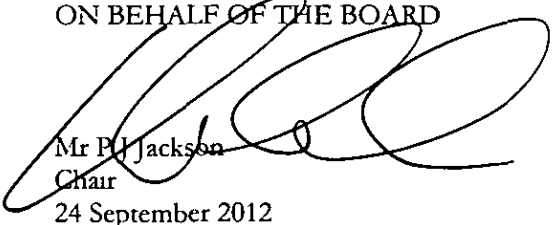
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

ON BEHALF OF THE BOARD



Mr P J Jackson
Chair

24 September 2012

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
HAMILTON LODGE TRUST LIMITED**

We have audited the financial statements of Hamilton Lodge Trust Limited for the year ended 31 May 2012 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
HAMILTON LODGE TRUST LIMITED - continued**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Carol Rudge
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

24 September 2012

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements

Liability of members

The charity is a company limited by guarantee having no share capital and in accordance with Clause 6 of the Memorandum of Association every member of the charity is liable to contribute a sum not exceeding £2 10 in the event of the charity being wound up

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act and applicable accounting standards, including the Statement of Recommended Practice 'Accounting and Reporting by Charities', published in March 2005 (SORP 2005) The financial statements are prepared under the historical cost accounting rules with the exception of investments which are stated at market value

As at 31 May 2012 the charity had net current liabilities of £2,499,783, and net liabilities of £442,312 The financial statements have been prepared on the going concern basis as the parent charity has agreed to provide such support as is required to enable the charity to continue operating for the foreseeable future being at least twelve months

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives The rates generally applicable are

Freehold buildings	2% per annum
Fixtures and fittings	15% - 20% per annum
Motor vehicles	15% - 20% per annum
Computers	25% per annum

No depreciation is provided on freehold land

Impairment reviews are only carried out if there is an indication that the recoverable amount of a tangible fixed asset is below its net book value

There is a de minimus capitalisation limit of £200

Lease contracts

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the period of the lease

Stocks

Stocks are stated at the lower of cost and net realisable value In determining the cost of raw materials and consumables, the purchase price is used

Incoming resources

Voluntary income including donations, gifts, legacies and grants are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- The donor specifies that the grant or donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Income from fees is recognised as the services are provided

Resources expended

Expenditure has been charged to the statement of financial activities on an accruals basis. Costs are shown inclusive of any related value added tax. Expenditure categories noted below are analysed in the various notes to the financial statements

- **Costs of generating funds**
Costs of generating funds are the costs incurred in attracting voluntary income
- **Charitable activities**
These are the costs involved in the provision of care and support to people with a learning disability or autism
- **Governance costs**
Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements
- **Support costs**
Support costs include the costs of the central support office functions such as central management, financial administration, human resources, information systems and finance costs. They have generally been allocated to cost categories on the basis of staff costs and numbers which is judged to allocate costs on a reasonable basis consistent with the activity's usage

Contributions to pension schemes

The charity participates in a defined benefit pension scheme operated by Essex County Council. The contributions are determined by Barnett Waddingham, independent qualified actuaries, on the basis of triennial valuations.

Although the fund is a defined benefit scheme, because the charity, as a small admission body ("SAB"), was grouped together with other similar employers, it had not previously been possible to separately identify its share of the underlying assets and liabilities and it was therefore accounted for as a defined contribution scheme until 31 May 2010. Essex County Council decided that with effect from 1 April 2011, all employees within the SAB group would be established on a standalone basis for the purpose of future actuarial valuations and that future assessments of employer contributions would be on an individual employer basis and not on a grouped basis as before.

There is also a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Fund accounting

The charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Restricted funds

Donations or legacies are earmarked by the donor for specific purposes. From these funds, the donation and income deriving therefrom may be utilised in accordance with the specific purposes.

Unrestricted funds

- Designated

The charity may at its discretion set aside funds for specific purposes, which would otherwise form part of the general reserves of the charity. Specifically the charity sets aside funds which represent the investment made in fixed assets for use by the charity.

- Other

Funds are expendable in furtherance of the objects of the charity.

Cash flow statement

Under Financial Reporting Standard 1 the charity is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the charity's financial statements in its own published consolidated financial statements.

HAMILTON LODGE TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account)

For the year ended 31 MAY 2012

	Note	Unrestricted funds £	Restricted funds £	Total funds 2012 £	Total funds 2011 £
Incoming resources from generated funds					
Voluntary income					
Donations		545	2,185	2,730	30,000
Grants		-	9,942	9,942	8,974
Activities for generating funds					
Fundraising events		-	615	615	6
Investment income	1	1	-	1	6
		<u>546</u>	<u>12,742</u>	<u>13,288</u>	<u>38,986</u>
Incoming resources from charitable activities					
Fees for the provision of care		1,524,916	-	1,524,916	1,622,280
Other incoming resources					
Profit on sale of tangible fixed assets		325	-	325	-
Total incoming resources		<u>1,525,787</u>	<u>12,742</u>	<u>1,538,529</u>	<u>1,661,266</u>
Resources expended					
Costs of generating funds		265	-	265	2,435
Net income available for charitable activities		<u>1,525,522</u>	<u>12,742</u>	<u>1,538,264</u>	<u>1,658,831</u>
Charitable activities	2				
Improving the lives of people with disabilities					
Learning disability		788,766	681	789,447	699,407
Autism		944,716	816	945,532	898,664
		<u>1,733,482</u>	<u>1,497</u>	<u>1,734,979</u>	<u>1,598,071</u>
Governance	2(u)	7,300	-	7,300	4,900
Total resources expended		<u>1,741,047</u>	<u>1,497</u>	<u>1,742,544</u>	<u>1,605,406</u>
Net incoming/(outgoing) resources before transfers		(215,260)	11,245	(204,015)	55,860
Transfers		12,237	(12,237)	-	-
Net surplus/(deficit) for the year		<u>(203,023)</u>	<u>(992)</u>	<u>(204,015)</u>	<u>55,860</u>
Other recognised gains and losses					
Gains/(losses) on investments		-	-	-	236
Actuarial loss on defined benefit pension	15	(215,000)	-	(215,000)	(150,000)
Net movement in funds		<u>(418,023)</u>	<u>(992)</u>	<u>(419,015)</u>	<u>(93,904)</u>
Balances brought forward at 1 June 2011		(41,086)	17,789	(23,297)	70,607
Balance carried forward at 31 May 2012	12&13	<u>(459,109)</u>	<u>16,797</u>	<u>(442,312)</u>	<u>(23,297)</u>

The charity has no recognised gains or losses other than the net incoming resources

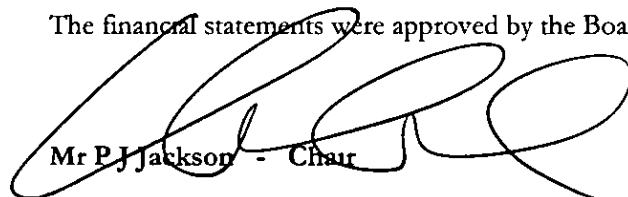
All the income and expenditure shown above related to continuing operations

The accompanying accounting policies and notes form an integral part of these financial statements

HAMILTON LODGE TRUST LIMITED
BALANCE SHEET AT 31 MAY 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	7	<u>2,424,511</u>	<u>2,334,986</u>
Current assets			
Stocks	8	9,100	18,327
Debtors	9	91,321	47,543
Cash at bank and in hand		<u>1,200</u>	<u>1,225</u>
		<u>101,621</u>	<u>67,095</u>
Creditors amounts falling due within one year	10	<u>(2,601,404)</u>	<u>(2,275,378)</u>
Net current liabilities		<u>(2,499,783)</u>	<u>(2,208,283)</u>
Provisions for liabilities and charges	11	<u>(2,040)</u>	<u>-</u>
Net assets/(liabilities) (excluding pension scheme liability)		<u>(77,312)</u>	<u>126,703</u>
Defined benefit pension scheme liability	15	<u>(365,000)</u>	<u>(150,000)</u>
Net liabilities (including pension scheme liability)		<u><u>(442,312)</u></u>	<u><u>(23,297)</u></u>
Funds			
Restricted funds	12	<u>16,797</u>	<u>17,789</u>
Unrestricted funds	13		
- Designated		-	108,914
- Pension reserve		(365,000)	(150,000)
- Other		<u>(94,109)</u>	<u>-</u>
Total unrestricted funds		<u>(459,109)</u>	<u>(41,086)</u>
Total funds		<u><u>(442,312)</u></u>	<u><u>(23,297)</u></u>

The financial statements were approved by the Board of Trustees on 24 September 2012


Mr P J Jackson - Chair

Company number 489657

The accompanying accounting policies and notes form an integral part of these financial statements

HAMILTON LODGE TRUST LIMITED
NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 MAY 2012

1 Investment income

	Total 2012 £	Total 2011 £
Bank deposit interest receivable	1	-
Dividend income from listed investments	-	6
	<u>1</u>	<u>6</u>

2 (i) Charitable activities

	Activities undertaken directly £	Support costs £	Total 2012 £	Total 2011 £
Unrestricted funds				
Improving the lives of people with disabilities				
Learning disability	698,578	90,188	788,766	699,136
Autism	836,697	108,019	944,716	898,316
Total unrestricted charitable activities	<u>1,535,275</u>	<u>198,207</u>	<u>1,733,482</u>	<u>1,597,452</u>
Restricted funds				
Learning disability	658	23	681	271
Autism	789	27	816	348
Total charitable activities	<u>1,536,722</u>	<u>198,257</u>	<u>1,734,979</u>	<u>1,598,071</u>

(ii) Support costs allocation

	Learning disability £	Autism £	Total 2012 £	Total 2011 £
Unit costs				
Salaries, wages and training	26,712	31,994	58,706	61,814
Other	12,491	14,961	27,452	35,188
Central support costs				
Management and quality assurance costs	49,021	58,712	107,733	87,611
Finance	1,987	2,379	4,366	19,726
	<u>90,211</u>	<u>108,046</u>	<u>198,257</u>	<u>204,339</u>

For the year ended 31 MAY 2012

(ii) Support costs allocation (continued)

The allocation of support costs has been made on the basis of the trustees' best estimate of time spent on supporting charitable activities during the year. The charity prepares individual budgets and management accounts and costs are directly attributed during the year, the amounts included above for "unit costs" are the support costs allocation of these directly attributable costs. The central support costs are the costs borne centrally both by the charity and its parent charity, DT.

Management and quality assurance costs represent salary costs recharged by DT for central office services including quality control, management accounting, payroll administration, budgeting, information technology and human resources.

(iii) Governance

	Total 2012 £	Total 2011 £
Audit fees	<u>7,300</u>	<u>4,900</u>

3 Directors and employees

Staff costs during the year were as follows

	Total 2012 £	Total 2011 £
Wages and salaries	1,092,666	995,920
Social security costs	84,742	77,509
Other pension costs	<u>37,422</u>	<u>40,427</u>
	1,214,830	1,113,856
Payments made to independent third parties for the provision of staff	<u>61,089</u>	<u>52,647</u>
Total payroll and staff related costs	<u>1,275,919</u>	<u>1,166,503</u>

Payments made to independent third parties for the provision of staff relate to costs incurred as a result of staff vacancies and cover being required pending recruitment. They also include costs arising as a result of cover being required during sickness or holiday.

The average number of persons engaged in the provision of welfare services to residents of the charity during the year, analysed by category, was as follows. All are employed by the parent charity, DT.

	2012 Number	2011 Number
Provision of care	65	60
Administration	<u>3</u>	<u>3</u>
	<u>68</u>	<u>63</u>

No employee had emoluments exceeding £60,000 (2011 £60,000)

HAMILTON LODGE TRUST LIMITED
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For the year ended 31 MAY 2012

4 Remuneration of trustees

No trustee received any remuneration or was reimbursed with any expenses during the year (2011 £nil)
 Costs of trustees' meetings amounted to £nil in the year (2011 £nil)

5 Net incoming resources for the year

	Total 2012 £	Total 2011 £
The net incoming resources for the year is stated		
After charging		
Auditors' remuneration for audit services	7,300	4,900
Auditors' remuneration for non audit services	-	1,225
Depreciation and other amounts written off tangible fixed assets	67,603	33,839
Loss on disposal of tangible fixed assets	325	2,967
Hire of other assets - operating leases	77	415
After crediting		
Profit on disposal of tangible fixed assets	<u>325</u>	<u>-</u>

6 Tax

The company is registered as a charity and its income is applied solely for charitable purposes. As a result, it is entitled to rely upon the relevant taxation exemptions and reliefs as set out in the Corporation Taxes Act 2010. Consequently no tax liability arises on the results of the year.

7 Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 June 2011	2,501,210	57,023	270,106	28,651	2,856,990
Additions	70,735	14,500	67,170	4,723	157,128
Disposals	-	(7,850)	-	-	(7,850)
At 31 May 2012	<u>2,571,945</u>	<u>63,673</u>	<u>337,276</u>	<u>33,374</u>	<u>3,006,268</u>
Depreciation					
At 1 June 2011	261,416	31,076	211,865	17,647	522,004
Provided in the year	41,698	5,446	17,068	3,391	67,603
Disposals	-	(7,850)	-	-	(7,850)
At 31 May 2012	<u>303,114</u>	<u>28,672</u>	<u>228,933</u>	<u>21,038</u>	<u>581,757</u>
Net book amount at 31 May 2012	<u>2,268,831</u>	<u>35,001</u>	<u>108,343</u>	<u>12,336</u>	<u>2,424,511</u>
Net book amount at 31 May 2011	<u>2,239,794</u>	<u>25,947</u>	<u>58,241</u>	<u>11,004</u>	<u>2,334,986</u>

All tangible fixed assets are utilised for the charity's charitable purposes.

HAMILTON LODGE TRUST LIMITED
NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 MAY 2012

8 Stocks

	2012	2011
	£	£
Raw materials and consumables	<u>9,100</u>	<u>18,327</u>

9 Debtors

	2012	2011
	£	£
Trade debtors	82,333	38,151
Prepayments and accrued income	7,927	7,440
Other debtors	<u>1,061</u>	<u>1,952</u>
	<u>91,321</u>	<u>47,543</u>

10 Creditors: amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	8,458	256
Trade creditors	53,864	53,651
Amounts owed to parent charity (see below)	2,403,008	2,090,913
Taxation and social security	3,737	2,238
Accruals and deferred income	71,578	71,970
Other creditors	<u>60,759</u>	<u>56,350</u>
	<u>2,601,404</u>	<u>2,275,378</u>

Accruals and deferred income includes deferred income of £995 (2011 £1,583) for care to be provided after 31 May 2012

Included in amounts owed to parent charity is a loan of £2,380,000 (2011 £2,081,160). The loan is repayable on demand with no interest, however, the parent charity has agreed to provide such support as is required to enable the charity to continue operating for the foreseeable future being at least twelve months.

11 Provisions for liabilities and charges

	Group stakeholder participation award scheme £
Amounts provided for in the year	<u>2,040</u>

HAMILTON LODGE TRUST LIMITED**NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 MAY 2012

12 Restricted funds

	Balance at	Movement in resources			Balance at
	1 June	Incoming	Outgoing	Transfers	31 May
	2011				2012
	£	£	£	£	£
Activity centre	65	-	(65)	-	-
IT training grant	-	9,942	-	-	9,942
Day out for Selborne Court	-	1,145	-	-	1,145
Selborne Court	5,250	1,185	(1,185)	(5,250)	-
Sensory room equipment	5,000	-	-	(5,000)	-
Other IT equipment	7,346	-	-	(1,987)	5,359
Other	128	470	(247)	-	351
Total restricted funds	17,789	12,742	(1,497)	(12,237)	16,797

13 Unrestricted funds

	Balance at	Movement in resources			Balance at
	1 June	Incoming	Outgoing	Transfers	31 May
	2011				2012
	£	£	£	£	£
Designated funds					
Investment in tangible fixed assets	108,914	-	-	(108,914)	-
General funds	-	1,525,787	(1,741,047)	121,151	(94,109)
Pension reserve	(150,000)	-	(215,000)	-	(365,000)
Total unrestricted funds	(41,086)	1,525,787	(1,956,047)	12,237	(459,109)

The purpose of the designated funds is explained in the accounting policies. The transfers shown above are as follows:

	£
Transfers from restricted to general funds for the purchase of fixed assets where the assets have been bought and therefore the restriction has been fully executed	12,237
Transfers from general funds to designated fund in respect of fixed assets	108,914

In accordance with the policy of the trustees, the charity is due to make a transfer from general funds to designated funds of £210,326 (2011 £1,457,912) in respect of tangible fixed assets held. Due to the deficiency on general funds, a transfer of £108,914 has been made from designated funds to general funds (2011 £52,106 transferred to designated funds).

HAMILTON LODGE TRUST LIMITED**NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 MAY 2012

14 Analysis of net assets between funds

	Tangible fixed assets £	Other net assets/ (liabilities) £	Pension scheme liability £	Total £
Restricted	5,710	11,087	-	16,797
Unrestricted				
Designated funds	-	-	-	-
Pension reserve	-	-	(365,000)	(365,000)
Other funds	2,418,801	(2,512,910)	-	(94,109)
	<u>2,424,511</u>	<u>(2,501,823)</u>	<u>(365,000)</u>	<u>(442,312)</u>

15 Pension costs**(i) Defined benefit scheme**

The charity participates in a defined benefit pension scheme operated by Essex County Council. The contributions are determined by Barnett Waddingham, independent qualified actuaries, on the basis of triennial valuations.

Although the fund is a defined benefit scheme, because the charity, as a small admission body ("SAB"), was grouped together with other similar employers, it had not previously been possible to separately identify its share of the underlying assets and liabilities and it was therefore accounted for as a defined contribution scheme until 31 May 2010. Essex County Council decided that with effect from 1 April 2011, all employees within the SAB group would be established on a standalone basis for the purpose of future actuarial valuations and that future assessments of employer contributions would be on an individual employer basis and not on a grouped basis as before.

This change resulted in the charity being required to fully adopt FRS17 for the first time in the year ended 31 May 2011. The charity's actuarial loss in respect of the pension fund in respect of its employees for the year ended 31 May 2012 has been calculated by actuaries as being £215,000 giving a total liability of £365,000 at 31 May 2012 and this has been provided in the financial statements. The valuation was carried out by Lane Clark & Peacock LLP qualified actuaries, on the basis of information supplied by Barnett Waddingham.

Principal actuarial assumptions	2012	2011
Retail price inflation	2.8%	3.3%
Consumer price inflation	1.8%	2.3%
Discount rate	4.6%	5.4%
Pension increases in payment	1.8%	2.3%
General salary increases	3.8%	4.3%
Expected return on assets	5.5%	6.4%
Life expectancy of male aged 65 in accounting year	22.7	22.6
Life expectancy of male aged 65 in 20 years from accounting year	24.1	24.0

The expected return on assets is based on the long term future expected investment returns for each asset class at the beginning of the period.

HAMILTON LODGE TRUST LIMITED
NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 MAY 2012

15 Pension costs (continued)

	2012 £'000	2011 £'000
Net liability		
Value of scheme liabilities	(1,204)	(1,024)
Fair value of scheme assets	839	874
Deficit	(365)	(150)
Unrecognised past service cost	-	-
Amount not recognised due to asset limit	-	-
Net liability	(365)	(150)

The pension cost charge under FRS17 to the statement of financial activities is as follows:

	Actual 2012 £'000	Actual 2011 £'000
Employer's part of current service cost	25	29
Interest cost	55	63
Expected return on scheme assets	(56)	(44)
Past service cost	-	-
Losses/(gains) on curtailments and settlements	-	-
Total expense recognised in surplus or deficit	24	48

Actuarial gains and losses for inclusion in the statement of financial activities

	2012 £'000	2011 £'000
Actuarial loss for the year	(215)	(150)

	2012 £'000	2011 £'000
The cumulative amount of losses recognised is	(365)	(150)

HAMILTON LODGE TRUST LIMITED
NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 MAY 2012

15 Pension costs (continued)

The current allocation of scheme assets is as follows:

	Current allocation	2012 £'000	Current allocation	2011 £'000
Equities	69%	579	70%	607
Bonds	15%	126	16%	142
Property	13%	109	11%	98
Other	3%	25	3%	27
Total	<u>100%</u>	<u>839</u>	<u>100%</u>	<u>874</u>

The charity does not invest in property occupied by the charity

Reconciliation of scheme liabilities	2012 £'000	2011 £'000
Opening scheme liabilities	<u>(1,024)</u>	<u>(1,146)</u>
Employer's part of current service cost	(25)	(29)
Interest cost	(55)	(63)
Contributions by scheme participants	(8)	(8)
Actuarial (losses)/gains	(132)	160
Benefits paid	40	62
Closing scheme liabilities	<u>(1,204)</u>	<u>(1,024)</u>

Reconciliation of fair value of scheme assets	2012 £'000	2011 £'000
Opening fair value of scheme assets	<u>874</u>	<u>771</u>
Expected return on scheme assets	56	45
Actuarial gains/(losses)	(91)	78
Contributions by the employer	32	34
Contributions by scheme participants	8	8
Benefits paid	(40)	(62)
Closing fair value of scheme assets	<u>839</u>	<u>874</u>
Actual return on scheme assets	<u>(35)</u>	<u>123</u>

HAMILTON LODGE TRUST LIMITED**NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 MAY 2012

15 Pension costs (continued)

	Actual 2012 £'000	Actual 2011 £'000
Employer contributions to the scheme	32	34
Employee contributions (regular)	8	8
Employee contributions (AVC)	-	-
Total contributions to the scheme	<u>40</u>	<u>42</u>

Amounts to be shown for the current and previous periods

	2012 £'000	2011 £'000	2010 £'000
Value of scheme liabilities	(1,204)	(1,024)	(1,146)
Fair value of scheme assets	839	874	771
Deficit	<u>(365)</u>	<u>(150)</u>	<u>(375)</u>

Experience adjustments on scheme assets

	2012 £'000	2011 £'000
Amount of (loss)/gain	<u>(91)</u>	<u>78</u>
Percentage of scheme assets	<u>(11%)</u>	<u>9%</u>

Experience adjustments on scheme liabilities

	2012 £'000	2011 £'000
Amount of (loss)/gain	<u>(31)</u>	<u>-</u>
Percentage of scheme liabilities	<u>(3%)</u>	<u>0%</u>

Defined contribution scheme

There is also a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Pension contributions charged during the year were £5,825 (2011 £6,037)

For the year ended 31 MAY 2012

16 Capital commitments

- (i) Capital commitments at the end of the financial year for which no provision has been made

	2012 £	2011 £
Contracted but not provided	-	90,000
Authorised but not contracted	<u>75,883</u>	<u>257,761</u>
	<u>75,883</u>	<u>347,761</u>

- (ii) Annual commitments under non-cancellable operating leases

The charity had no commitments at 31 May 2012 or 31 May 2011 under non-cancellable operating leases

17 Funds held as custodian trustees

At the year end, the charity held monies totalling £2,471 (2011 £1,856) on behalf of its clients. These monies are not included within the balance sheet and are held separately in clearly identifiable bank accounts.

18 Related party transactions

The charity is a wholly owned subsidiary of DT. The charity has taken advantage of the exemptions contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

19 Ultimate parent undertaking

The largest, and only, group in which the results of the charity are consolidated is that headed by The Disabilities Trust, registered in England and Wales which is the ultimate parent undertaking.

The consolidated financial statements for the group are available from the charity's Central Support Office, First Floor, 32 Market Place, Burgess Hill, Sussex, RH15 9NP.