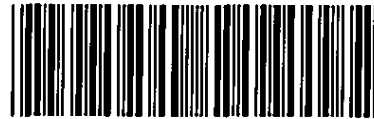


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**HAMILTON LODGE TRUST
LIMITED**

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

**For the Year ended
31 MAY 2009**

Company no 489657

HAMILTON LODGE TRUST LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 MAY 2009

Company registration number: 489657

Charity number: 306080

Registered office: First Floor
32 Market Place
Burgess Hill
West Sussex
RH15 9NP

Trustees: P J Jackson
V Hancox
Mrs A Hancox
Mrs C Yorath
M Hayes
F Osman
Mrs H S Akester
Dr P Dobrowolski
S Howell
R Little
M Rowe
Mrs M Bartholomew
Mrs P E Duffill
S J Fletcher
D J D Yiend

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 2009

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 2009

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The trustees present their report together with the audited financial statements for the year ended 31 May 2009. 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"). The charity is based near Colchester and offers accommodation and support services to adults with a learning disability and, with effect from January 2008, autism. Service users live in a range of accommodation styles that include apartments, single storey buildings and a larger house. The service is purpose-designed to support the needs of people who have additional needs including physical disability, dementia or other associated disorder.

(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.

(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 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.

Structure management and governance (continued)

On election by members, new trustees go through a detailed induction and training process. This comprises a day at the charity's Central Support Charity 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. 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 2009, the charity's achievements and performance against objectives were as follows:

- Further investigate ways of rationalising and remodelling the service to eliminate ongoing financial deficits.
 - plans and drawings have been agreed to remodel the building and environment. The charity met with commissioners to discuss the potential increased referrals for more complex needs as a result of the new building works. The charity will be seeking completion by Summer 2010.
 - very good progress has been made in terms of remodelling the charity's approach to the delivery of the service at Hamilton Lodge; this has included restructuring the staffing team across the site and developing enhanced autism skills in each service area so that the charity can deliver a consistent approach and increase the knowledge of the existing team. It is widely recognised that a consistent, person centred approach to the unique and often complex needs in this client group results in decreased levels of anxiety, increased confidence and improved quality of life. Service users have enjoyed improved participation in the local community.

- in terms of the environment, the charity has recognised the need to develop the site to enable increased independent living for the people who use the service. The current service is also limited in terms of providing "move-on" opportunities for people who have lived in residential care for long periods. The charity has therefore worked hard to understand the current and future needs of people with autism in the area as well as collaborating with commissioners to ensure it is better equipped to deliver future provision. The charity has agreed a development model to commence by the end of 2009 which will further develop the person centred living opportunities at the site and also provide a more sustainable business model for the future.

Financial review

Total incoming resources of the charity amounted to £1,329,667 in 2009 compared to £919,365 in 2008. Fee income increased by £408,252 due to increased occupancy levels in 2009 mainly arising from additional autistic service users. Total resources expended increased from £1,169,965 in 2008 to £1,488,105 in 2009. The net effect is a reduction in the net deficit from £250,660 in 2008 to £158,661 in 2009.

The trustees are actively pursuing a strategy that will return the charity to surplus in the short to medium term.

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 for the year withdrawn from reserves are £158,661.

At 31 May 2009 the charity had funds of £149,028, of which £1,573 represented 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 £760,367. Due to the shortfall on general funds, the designated funds have been restricted by £613,199 and currently stand at £147,168.

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 £509,554. The current level of unrestricted available reserves amounting to £nil does not currently 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

- Whilst the learning disability provision remains a small portfolio of services, the charity has increased its knowledge and skills within its learning disability service to enable it to provide a wider range of support for those with complex needs. As a result of this, the charity will be seeking to develop a service focusing on challenging behaviour within the service at Selborne Court.

Risk management

The trustees acknowledge their responsibility for the system of internal control and reviewing its effectiveness, as part of The Disabilities Trust group'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 that of damage to the group's reputation. Therefore, particular 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 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 undertaken annually.

Fund held as custodian trustees

At the year end, the charity held monies totalling £78,362 (2008: £78,259) 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
G Anderson	(resigned 30 November 2008)
V Hancox	
Mrs A Hancox	
Mrs C Yorath	
M Hayes	
F Osman	
Mrs H S Akester	(Vice Chair)
Dr P Dobrowolski	
S Howell	
R Little	
M Rowe	
Mrs M Bartholomew	
Mrs P E Duffill	
Mrs G Caird	(resigned 20 July 2009)
S J Fletcher	
D J D Yiend	(co-opted 12 January 2009)

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.

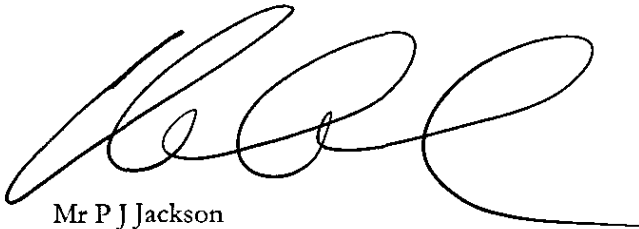
It is also the policy of the charity to maintain and develop the involvement of all employees in its affairs. Local managers provide, on a regular basis, information of concern to employees using a variety of methods such as business review meetings, briefing discussions and training sessions. The views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

Mr P J Jackson
Chair

28 September 2009

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). The financial statements are required by law to 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 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.

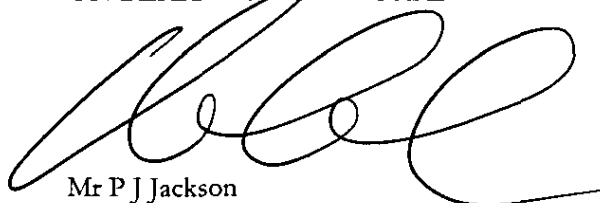
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as each of the trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are 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

28 September 2009

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

We have audited the financial statements of Hamilton Lodge Trust Limited for the year ended 31 May 2009 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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

The trustees' (who are also the directors of Hamilton Lodge Trust Limited for the purposes of company law) responsibilities for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether the information given in the Report of the Trustees is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.



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

Date: 28 September 2009

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 2009 the charity had net current liabilities of £612,153. 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
Furniture, 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.

Investments

Investments are stated in the balance sheet at market value. All realised and unrealised gains and losses are taken to the statement of financial activities and are reflected in "other recognised gains and losses". Realised gains and losses are calculated as the difference between market value at the beginning of the year and sale proceeds. Unrealised gains are derived from movement in market value during the year.

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 state 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 in helping people regain the skills lost as a result of brain injury.
- **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 Mercers Human Resource Consulting, independent qualified actuaries, on the basis of triennial valuations. Although the fund is a defined benefit scheme, because Hamilton Lodge Trust Limited, as a Small Admission Body, is grouped together with other similar employers, it is not possible to separately identify its share of the underlying assets and liabilities and it is therefore accounted for as a 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.

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 2009

	Note	Unrestricted funds £	Restricted funds £	Total funds 2009 £	Total funds 2008 £
Incoming resources from generated funds					
Voluntary income					
Donations		6,808	3,428	10,236	8,076
Grants		730	-	730	426
Activities for generating funds					
Fundraising events		66	596	662	319
Investment income	1	241	-	241	710
		<u>7,845</u>	<u>4,024</u>	<u>11,869</u>	<u>9,531</u>
Incoming resources from charitable activities					
Fees for the provision of care		1,317,798	-	1,317,798	909,546
Other incoming resources					
Profit on sale of tangible fixed assets		-	-	-	288
Total incoming resources		<u>1,325,643</u>	<u>4,024</u>	<u>1,329,667</u>	<u>919,365</u>
Resources expended					
Costs of generating funds		417	-	417	-
Net income available for charitable activities		<u>1,325,226</u>	<u>4,024</u>	<u>1,329,250</u>	<u>919,365</u>
Charitable activities					
Improving the lives of people with disabilities	2				
Learning disability		899,120	1,570	900,690	1,136,097
Autism		581,517	881	582,398	29,968
		<u>1,480,637</u>	<u>2,451</u>	<u>1,483,088</u>	<u>1,166,065</u>
Governance	2(iii)	4,600	-	4,600	3,900
Total resources expended		<u>1,485,654</u>	<u>2,451</u>	<u>1,488,105</u>	<u>1,169,965</u>
Net outgoing resources before transfers					
		(160,011)	1,573	(158,438)	(250,600)
Transfers		-	-	-	-
Net deficit for the year		<u>(160,011)</u>	<u>1,573</u>	<u>(158,438)</u>	<u>(250,600)</u>
Other recognised gains and losses					
Losses on investments	8	(223)	-	(223)	(60)
Net movement in funds		<u>(160,234)</u>	<u>1,573</u>	<u>(158,661)</u>	<u>(250,660)</u>
Balances brought forward at 1 June 2008		307,689	-	307,689	558,349
Balance carried forward at 31 May 2009	12 & 13	<u>147,455</u>	<u>1,573</u>	<u>149,028</u>	<u>307,689</u>

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

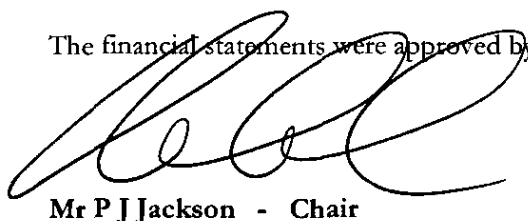
All the income and expenditure shown above related to continuing operations.

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

HAMILTON LODGE TRUST LIMITED
BALANCE SHEET AT 31 MAY 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	7	760,367	763,307
Investments	8	814	1,037
		<u>761,181</u>	<u>764,344</u>
Current assets			
Stocks	9	11,662	16,537
Debtors	10	97,271	48,869
Cash at bank and in hand		1,500	7,637
		<u>110,433</u>	<u>73,043</u>
Creditors: amounts falling due within one year	11	<u>(722,586)</u>	<u>(529,698)</u>
Net current liabilities		<u>(612,153)</u>	<u>(456,655)</u>
Total assets less current liabilities		<u>149,028</u>	<u>307,689</u>
Net assets		<u>149,028</u>	<u>307,689</u>
Funds			
Restricted funds	12	1,573	-
Unrestricted funds	13		
- Revaluation reserve		287	510
- Designated		147,168	307,179
Total unrestricted funds		<u>147,455</u>	<u>307,689</u>
Total funds		<u>149,028</u>	<u>307,689</u>

The financial statements were approved by the Board of Trustees on 28 September 2009.



Mr P J Jackson - Chair

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 2009

1 Investment income

	Total 2009 £	Total 2008 £
Bank deposit interest receivable	222	698
Dividend income from listed investments	19	12
	241	710

2 (i) Charitable activities

	Activities undertaken directly £	Support costs £	Total 2009 £	Total 2008 £
Unrestricted funds				
Improving the lives of people with disabilities				
Learning disability	801,669	97,451	899,120	1,132,069
Autism	518,369	63,148	581,517	29,861
Total unrestricted charitable activities	1,320,038	160,599	1,480,637	1,161,930
Restricted fund				
Learning disability	1,352	218	1,570	4,028
Autism	875	6	881	106
Total charitable activities	1,322,265	160,823	1,483,088	1,166,064

(ii) Support costs allocation

	Learning disability £	Autism £	Total 2009 £	Total 2008 £
Unit costs				
Salaries, wages and training	50,096	32,392	82,488	66,122
Other	11,556	7,473	19,029	22,025
Central support costs				
Management and quality	38,852	25,122	63,974	70,373
Finance	(2,835)	(1,833)	(4,668)	(17)
	97,669	63,154	160,823	158,503

For the year ended 31 MAY 2009

Charitable activities (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 2009 £	Total 2008 £
Audit fees	<u>4,600</u>	<u>3,900</u>

3 Directors and employees

Staff costs during the year were as follows:

	Total 2009 £	Total 2008 £
Wages and salaries	906,567	702,277
Social security costs	72,255	51,076
Other pension costs	40,285	47,833
	<u>1,019,107</u>	<u>801,186</u>
Payments made to independent third parties for the provision of staff	64,706	1,688
Total payroll and staff related costs	<u>1,083,813</u>	<u>802,874</u>

Payments made to independent third parties for the provision of staff relate to costs incurred as a result of staff vacancies existing 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.

	2009 Number	2008 Number
Provision of care	53	48
Administration	4	4
	<u>57</u>	<u>52</u>

For the year ended 31 MAY 2009

4 Remuneration of trustees

No trustee received any remuneration or was reimbursed with any expenses during the year (2008: £nil).

Costs of trustees' meetings amounted to £nil in the year (2008: £nil).

5 Net incoming resources for the year

	Total 2009 £	Total 2008 £
The net incoming resources for the year is stated		
After charging		
Auditors' remuneration for audit services	4,600	3,900
Auditors' remuneration for non audit services	-	-
Depreciation and other amounts written off tangible fixed assets	29,668	23,739
Hire of other assets - operating leases	783	1,250
After crediting		
Profit on disposal of tangible fixed assets	-	288

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 Income and Corporation Taxes Act 1988. Consequently no tax liability arises on the results of the year.

HAMILTON LODGE TRUST LIMITED
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For the year ended 31 MAY 2009

7 Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 June 2008	941,729	40,418	215,652	17,440	1,215,239
Additions	10,268	9,480	5,737	1,243	26,728
At 31 May 2009	951,997	49,898	221,389	18,683	1,241,967
Depreciation					
At 1 June 2008	211,328	35,980	187,947	16,677	451,932
Provided in the year	17,416	3,178	8,284	790	29,668
At 31 May 2009	228,744	39,158	196,231	17,467	481,600
Net book amount at 31 May 2009	723,253	10,740	25,158	1,216	760,367
Net book amount at 31 May 2008	730,401	4,438	27,705	763	763,307

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

8 Investments

	£
Shares listed on a recognised UK Stock Exchange	
Valuation at 1 June 2008	1,037
Net loss on revaluation	(223)
Valuation at 31 May 2009	814
Historic cost at 31 May 2009	527
Historic cost at 31 May 2008	527

9 Stocks

	2009 £	2008 £
Raw materials and consumables	11,662	16,537

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For the year ended 31 MAY 2009

10 Debtors

	2009 £	2008 £
Trade debtors	91,536	35,953
Amounts owed by fellow subsidiary	-	84
Prepayments and accrued income	3,543	11,893
Other debtors	2,192	939
	<u>97,271</u>	<u>48,869</u>

11 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	6,670	2,552
Trade creditors	68,866	52,419
Amounts owed to parent charity	604,888	405,862
Taxation and social security	1,337	488
Accruals and deferred income	24,255	62,827
Other creditors	16,570	5,550
	<u>722,586</u>	<u>529,698</u>

Accruals and deferred income includes deferred income of £nil for fees received for care to be provided after 31 May 2009 (2008: £49,338).

Included in amounts owed to parent charity is a loan of £593,000 (2008: £394,500). 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.

12 Restricted funds

	Balance at 1 June 2008 £	Movement in resources			Balance at 31 May 2009 £
		Incoming £	Outgoing £	Transfers £	
Activity centre	-	1,196	-	-	1,196
Other	-	2,828	(2,451)	-	377
Total restricted funds	<u>-</u>	<u>4,024</u>	<u>(2,451)</u>	<u>-</u>	<u>1,573</u>

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13 Unrestricted funds

	Balance at	Movement in resources			Balance at
	1 June	Incoming	Outgoing	Transfers	31 May
	2008				2009
	£	£	£	£	£
Revaluation reserve					
Net loss on revaluation	510	-	(223)	-	287
Designated funds					
Investment in tangible fixed assets	307,179	-	-	(160,011)	147,168
General funds	-	1,325,643	(1,485,654)	160,011	-
Total unrestricted funds	<u>307,689</u>	<u>1,325,643</u>	<u>(1,485,877)</u>	<u>-</u>	<u>147,455</u>

The purpose of the designated funds is explained in the accounting policies.

The transfers shown above are as follows:

	£
Transfers from designated funds to general funds to eliminate deficit on general funds	<u>160,011</u>

In accordance with the policy of the trustees, the charity is due to make a transfer from general funds to designated funds of £2,940 (2008: £357,138) in respect of tangible fixed assets held. Due to the deficiency on general funds, a transfer has been made from designated funds to general funds of £160,011 (2008: £98,990).

For the year ended 31 MAY 2009

14 Analysis of net assets between funds

	Tangible fixed assets £	Fixed asset investments £	Other net assets £	Total £
Restricted	-	-	1,573	1,573
Unrestricted:	-	-	-	-
Revaluation reserve	-	287	-	287
Designated funds	147,168	-	-	147,168
Other funds	613,199	527	(613,726)	-
	<u>760,367</u>	<u>814</u>	<u>(612,153)</u>	<u>149,028</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 Mercers Human Resource Consulting, independent qualified actuaries, on the basis of triennial valuations.

Although the fund is a defined benefit scheme, because Hamilton Lodge Trust Limited, as a Small Admission Body, is grouped together with other similar employers, it is not possible to separately identify its share of the underlying assets and liabilities and it is therefore accounted for as a defined contribution scheme.

Pension contributions charged during the year were £36,488 (2008: £44,617).

The most recent valuation took place at 31 March 2007 and has specified the employer rates applicable for the three years from 1 April 2008. The ongoing contribution rate for Hamilton Lodge Trust Limited during the year ended 31 March 2009 was 11.20% of pensionable pay. The value of the scheme's assets at 31 March 2007 was sufficient to cover 79.6% of the benefits that had accrued to members. On the basis of the 2007 valuation, this deficiency was to be eliminated over the average service life of members of 11 years. A sum of £16,968 was made by Hamilton Lodge Trust Limited in the year ended 31 March 2009 towards this deficiency. A sum of £17,853 will be payable by Hamilton Lodge Trust Limited in the year ending 31 March 2010.

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Pension costs (continued)

The main actuarial assumptions used in the 2007 valuation are set out below:

	2007 Funding target	2007 normal cost
Investment return - pre-retirement	6.9% p.a.	6.5% p.a.
Investment return - post-retirement	5.4% p.a.	6.5% p.a.
Salary increases	4.6% p.a.	4.25% p.a.
Pension increases in payment	3.1% p.a.	2.75% p.a.

The 2007 valuation determined that the scheme's assets were sufficient to cover 79.6% of the benefits that had accrued to members. The value of the fund's assets at the 2007 valuation was £3,043m and the value of the liabilities was £3,825m. The past service deficiency was £782m. The target distribution of assets is set out below.

	Proportion 31 March 2007 £
Fund assets	
Overseas equities	35%
UK equities	25%
Property	12%
Fixed interest	7%
Shareholder activism	6%
LIBOR+	5%
Private equity	4%
Index linked	3.5%
Infrastructure	2.5%

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 £2,637 (2008: £3,216).

For the year ended 31 MAY 2009

16 Capital commitments

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

	2009	2008
	£	£
Contracted but not provided	-	-
Authorised but not contracted	35,034	8,900
	<u>35,034</u>	<u>8,900</u>

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

The charity had no commitments at 31 May 2009 or 31 May 2008 under non-cancellable operating leases.

17 Funds held as custodian trustees

At the year end, the charity held monies totalling £78,362 (2008: £78,259) 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 The Disabilities Trust. 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