

Annual Reports and Accounts

2019

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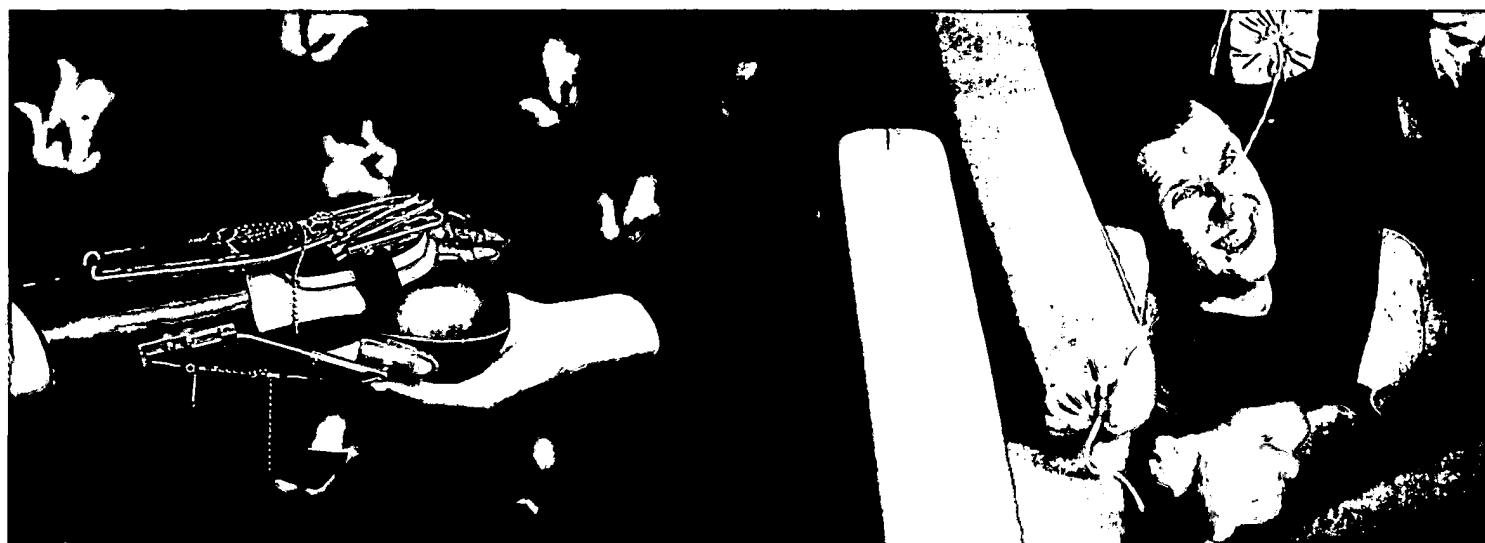
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COMPANIES HOUSE



Hamilton Lodge Trust Limited

Registered Charity Number: 489657

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Pages 2 to 9 comprise the Trustees' Annual Report.

TRUSTEES' REPORT

Our Trustees present their report and the audited financial statements for the 18 month period ended 31 May 2019. This report addresses the various requirements under Companies and Charities Acts. Over the last 12 years, Hamilton Lodge has been unable to cover its costs. Despite the Senior Management Teams' and the Trustees' efforts in addressing the structural weaknesses, a decision was made to cease trading effective on 31 August 2017.

Described as a "very difficult decision" by the Trust, the move came after the charity concluded that the site's isolated location, in a rural area with poor public transport links, severely limited people's independence and their opportunities to have easy access to shops and leisure activities and the wider community. The remote location of the Trust also made the recruitment and retention of frontline staff challenging. The limits to people's independence, which are out of step with modern approaches to care, do not meet the local authorities' expectations for disabled people and the increased use of higher cost agency staff, have led to significant financial losses.

The Trust was originally established in the late 1940s when standards were very different and while the Trust has invested in redevelopment on the site, local authorities want to fund smaller, community based homes nearer local facilities.

Whilst preparing to cease trading, the Trust supported each Service User and their families in ensuring transfers of care to other good quality care providers were undertaken with care and compassion.

The Trustees and the Trustees' annual report constitute the Directors and the Directors' report for Companies Act purposes.

These financial statements comply with the Charities Act 2011, the Companies Act 2006, the requirements of the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice ("SORP") applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES OF THE CHARITY

Purpose

The principal objective of the charity for the year was to continue with the orderly wind down of the Trust.

Activities

Hamilton Lodge Trust Limited ("HL") provided specialist housing and high quality care, rehabilitation and support for people with autism and learning disabilities. The company is a wholly-owned subsidiary of The Disabilities Trust and a registered charity.

The charity ceased trading in August 2017 and the Trustees of HL continued to wind-up the charity in 2019. This process is expected to be completed in 2019/20.

Activities (continued)

All our Trustees give their time voluntarily and receive no benefits from the charity. Any expenses claimed from the Trust are set out in Note 6 to the financial statements.

Our Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, our Trustees consider how planned activities contributed to the aims and objectives we set.

Plans for the future

Closure of the charity

The decision has been made to cease trading, considering various options for the freehold property and winding-up the charity.

Remuneration policy

For the purposes of disclosure of the remuneration of key management personnel, the Trustees consider key management personnel to be the Senior Management Team ("SMT").

Remuneration of key management personnel, who are remunerated by The Disabilities Trust (DT), is set by the Trustees' "Remuneration and Nominations Committee". This committee comprises the Chair, the Vice Chair and up to three other Trustees. The Committee meets twice a year to consider and review the remuneration package for the CEO, to consult with the CEO on recommendations for salary levels for the SMT and other recommendations made on behalf of the HL personnel employed by DT. It also considers succession planning for Trustees, CEO and other executive Directors whose appointment is key to the charity.

Financial review

The results for 2018/19 are over eighteen months and the main points are:

- Total incoming resources of the charity amounted to £0.2m in 2019 compared to £3.0m in 2017;
- Total resources expended decreased from £5m in 2017 to £0.5m in 2019;
- The net deficit is £0.2m compared to £1.3m in 2017;
- The sale of the Hamilton Lodge Estate resulted in a profit of £0.2m;
- The settlement of the Trust's liability to the Essex pension fund for £512,000.
- The total net liabilities of the charity at 31 May 2019 were £2.4m compared to £2.1m in 2017, an increase of £0.3m.

The principal funding sources were from statutory funders and resources were expended to the benefit of the charity's service users. The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Reserves

At 31 May 2019, the charity had a deficit on unrestricted reserves of £2.4m (2017: £2.1m), an increase of £0.3m. There was a surplus on restricted reserves of £6,000 (2017: £6,000) resulting in a total reserve of £2.3m deficit (2017: £2.1m deficit).

As the current level of unrestricted general funds is in deficit, the parent charity has agreed to provide such support as is required to enable the charity to effect the closure and wind-up its operations.

Going concern

For the period ended 31 May 2019, the charity generated a net decrease in funds of £0.3m (2017: £1.3m) and as at 31 May 2019, the charity had a deficit on reserves of £2.4m (2017: £2.1m) as it continues to pursue an orderly wind up of activities. Given the financial performance of the service, the Trustees have made a decision to cease trading and close the charity during 2019/20. The Trustees are satisfied that there are no material adjustments arising as a result of no longer preparing the financial statements on a going concern basis.

Principal risks and uncertainties

The Trustees acknowledge their responsibility in relation to the risks associated with the charity. The Charity continually monitors and reviews its risks at both strategic and operational level and maintains a corporate risk register which is regularly reviewed by the senior management team and the Audit Committee on behalf of the board of Trustees. The highest ranking strategic risks, derived from the charity's Risk Register are set out below.

Strategic Risk	Risk Description	Mitigation
Strategy	Financing the cost of an orderly wind up of the Trust.	<ul style="list-style-type: none">The continued support of the parent Company, The Disabilities Trust will provided where necessary..

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

HL is a company limited by guarantee, governed by a Memorandum and Articles of Association. The company is registered with the Charity Commission 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, HL is 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.

Constitutional provisions relating to Trustees

Trustees are elected at the Annual General Meeting ("AGM") and are eligible for re-election after three years. Trustees may also be co-opted to the Board and are eligible for election at the following AGM.

Governance and decision making

We are governed by the DT's Board of Trustees which meets at least six 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 including those of HL.

Our Trustees have delegated the day to day management of the charity to the Senior Management Team (SMT) comprising the Chief Executive Officer (CEO) and a number of executive Directors. The SMT meet monthly.

Our 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.

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 our employees. The aim of the process is not only to ensure that suitable people are appointed as Trustees but also to ensure that our Board of Trustees comprises people from a wide range of backgrounds and experience. If selected, their appointment is later confirmed at our AGM.

On election by members, new Trustees go through a detailed induction and training process. This comprises a day at our 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.

Related parties

In addition to the Trustees and senior management team detailed below, the charity has the following related parties:

- **The Disabilities Trust ("DT")** – DT is the parent charity of HL and is a registered charity providing a range of services for people with acquired physical disability and autism and tailored care and support to people living in the community and at home.
- **York House Ventures Limited ("YHV")** – DT has a 50% interest in YHV which provides a rehabilitation centre for people with brain injuries in York. YHV provides an intensive neuro-behavioural assessment and rehabilitation service for people with severe mood disturbance and challenging behaviour following a brain injury. The remaining 50% interest is held by The Retreat, York.

WHO'S WHO

Trustees

The Trustees who held office during the year were as follows:

Mr S Howell	Chair
Dr P Dobrowolski	Resigned 26 November 2018
Dr C S Drugan	
Mr M Green	
Mr R A Hoyle	
Ms E C Jackman	
Mr M Rowe	

Senior Management Team

The senior management team to whom the Trustees have delegated the day to day management of the charity, is as follows:

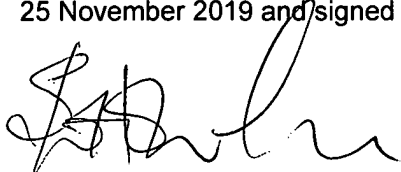
Mrs I Sobowale	Chief Executive
Ms N Carey	Director of Human Resources
Mr W Chidgey	Director of Finance (to 1 February 2019) and Director of Corporate Services (from 1 February 2019)
Dr S Copstick	Director of Clinical Services
Ms V Pilkington	Director of Governance & Quality Assurance (appointed 2 April 2018)
Ms S Clifford	Director of Communications (appointed 1 June 2018), (resigned 31 October 2018)
Mr D Cunningham	Company Secretary (resigned 1 December 2017)
Mrs C Murray-Howard	Director of BIRT, Strategy and Business Development (appointed 1 January 2017; resigned 12 October 2018)
Mr D Pilsbury	Director of Governance & Quality Assurance (appointed 28 November 2016; resigned 12 March 2018)
Ms V Pilkington	Director of Governance & Quality Assurance (appointed 2 April 2018)
Mrs C Taylor	Director of Autism and Disability Services (appointed 19 March 2018; resigned 31 July 2018)
Mr D Davie	Director of IT (appointed 9 April 2018), (resigned 16 November 2018)
Mrs A Bygrave	Director of Operations (appointed 14 January 2019)
Mrs L Robertson	Director of Business Development and Marketing (appointed 2 January 2019)

None of the above has remuneration charged to HL.

Auditors

Crowe U.K. 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.

The Trustees' Report has been approved by the Board of Trustees of Hamilton Lodge Trust Limited on 25 November 2019 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'S Howell', written in a cursive style.

Mr S Howell
Chair

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Hamilton Lodge Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's 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 on 25 November 2019.



Mr S Howell
Chair

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

Opinion

We have audited the financial statements of Hamilton Lodge Trust Limited for the year ended 31 May 2019 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

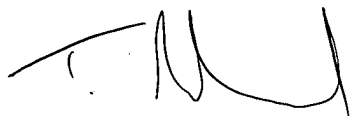
In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Tim Redwood

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

29 November 2019

FINANCIAL STATEMENTS

Statement of Financial Activities

(Incorporating Income and Expenditure Account)

For the eighteen months period ended 31 May 2019

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 18 months to 31 May 2019 £'000	Total funds 18 months to 30 Nov 2017 £'000
Income from:					
Donations and legacies		-	-	-	2
<i>Charitable activities</i>					
Improving the lives of people with disabilities	1	-	-	-	2,997
Other income	2	207	-	207	2
Total income		207	-	207	3,001
Expenditure on:					
<i>Charitable activities</i>					
Improving the lives of people with disabilities	3	491	-	491	4,968
Total expenditure		491	-	491	4,968
Net expenditure	6	(285)	-	(285)	(1,967)
Transfers between funds		-	-	-	-
		(285)	-	(285)	(1,967)
Other recognised gains / (losses):					
Actuarial gains / (losses) on defined benefit pension scheme	14	-	-	-	651
Net movement in funds		(285)	-	(285)	(1,316)
Reconciliation of funds:					
Total funds brought forward		(2,068)	6	(2,062)	(746)
Total funds carried forward	12	(2,353)	6	(2,347)	(2,062)

All the income and expenditure shown above relate to discontinuing activities. All gains and losses recognised in the current and preceding financial year are included in the statement of financial activities.

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

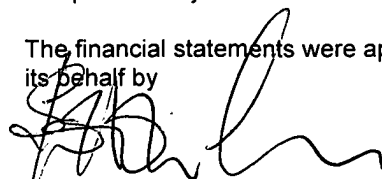
Balance Sheet

As at 31 May 2019

	Note	2019 £'000	2017 £'000
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	77	2,213
		<u>77</u>	<u>2,213</u>
Current assets			
Debtors	10	3	3
Cash at bank and in hand	15	47	131
		<u>50</u>	<u>134</u>
Creditors: amounts falling due within one year	11	(2,474)	(4,409)
Net current liabilities		<u>(2,424)</u>	<u>(4,275)</u>
Total assets less current liabilities (excluding pension liability)		(2,347)	(2,062)
Defined benefit pension scheme liability	16	-	-
Net liabilities (including pension liability)		<u>(2,347)</u>	<u>(2,062)</u>
The funds of the charity:			
Restricted income funds	12	6	6
Unrestricted funds	12	-	-
- pension reserve		-	-
- general funds		(2,353)	(2,068)
Total unrestricted funds		<u>(2,353)</u>	<u>(2,068)</u>
Total charity funds		<u>(2,347)</u>	<u>(2,062)</u>

These financial statements were prepared in accordance with part 15 of the Companies Act 2006 relating to companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 25 November 2019 and were signed on its behalf by



S Howell - Chair
Company number: 489657

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

Notes to the Financial Statements

For the eighteen months period ended 31 May 2019

Principal Accounting Policies

Our principal accounting policies have remained unchanged from the previous year and are set out below.

Basis of preparation

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)) – (Charities SORP (FRS 102)) and in accordance with part 15 of the Companies Act 2006 relating to companies subject to the small companies regime.

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

Going concern

For the eighteen month period ended 31 May 2019, the charity generated a net decrease in funds of £285,000 (eighteen month period ended 30 November 2017: £1,316,000) and as at 31 May 2019, the charity had a deficit on reserves of £2,353,000 (2017: £2,062,000). Given the financial performance of the service, the Trustees made a decision for HL to cease trading on 31 August 2017.

DT, the charity's parent undertaking, has agreed to provide the support required to enable the charity to finalise its closure and wind-up its operations by deferring repayment of its loan to HL. Accordingly, the Trustees have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Incoming resources

Voluntary income including donations, gifts, legacies and grants are recognised where there is entitlement, probability 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. Any amount received in advance of services being provided is included as deferred income. The majority of our funding is received from Local Authorities.

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.

- Raising funds

Costs of raising 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. They include direct costs, support costs and governance costs as detailed below.

- Direct costs

These include the cost of direct service delivery including all staff and other directly attributable costs.

- 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.

- 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.

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
Computers	25% per annum
Fixtures and fittings	15% per annum
Motor vehicles	33.3% per annum on high mileage vehicles
Motor vehicles	15% per annum on people carriers

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 £500.

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.

Debtors

Trade and other debtors are recognised at the transaction amount, net of trade discounts and are reduced by amounts which are not considered to be recoverable.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Employee benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Redundancy costs are recognised as an expense in the period in which the charity becomes irrevocably committed to incurring the costs and the main features of the plans have been announced to affected employees.

Pension costs

The charity participated in a defined benefit pension scheme operated by Essex County Council. The contributions were determined by Barnett Waddingham, independent qualified actuaries, on the basis of triennial valuations. Whilst the charity is a small admission body ("SAB"), Essex County Council has decided that all employees within the SAB group will be established on a standalone basis for the purpose of actuarial valuations and that future assessments of employer contributions will be on an individual employer basis and not on a grouped basis. This has resulted in the charity being required to fully adopt FRS102 Section 28.

As the last active member left the defined benefit scheme, operated by Essex County Council, on 25 August 2017, a valuation was carried out on an exit basis as the cessation date is deemed to be 25 August 2017. This valuation was carried out by Barnett Waddingham, qualified actuaries. The remaining liability was subsequently settled in 2019 for £512,000 and the charity has no further obligation to the scheme.

Pension costs (continued)

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. Contributions are recognised in the statement of financial activities as they fall due.

Fund accounting

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

- **Restricted income 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 funds**

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

- **General funds**

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

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Trustees have made the following judgements:

Impairment

Determine whether there are indicators of impairment of the charity's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating service, the viability and expected future performance of that service.

Intangible fixed assets

Intangible fixed assets are depreciated over their estimated useful lives.

Tangible fixed assets

Tangible fixed assets, other than freehold land, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

1. Income from charitable activities

Improving the lives of people with disabilities

	Unrestricted funds 2019 £'000	Unrestricted funds 2017 £'000
Learning disability	-	665
Autism	-	2,332
	-	2,997

2. Other income

	Unrestricted funds 2019 £'000	Unrestricted funds 2017 £'000
Sundry income	-	2
Profit on sale of property	206	-
	206	2

3. (i) Charitable activities

Improving the lives of people with disabilities

Unrestricted and restricted funds

	Activities undertaken directly £'000	Support costs £'000	Total funds 2019 £'000	Activities undertaken directly £'000	Support Costs £'000	Total funds 2017 £'000
Learning disability	-	-	-	1,902	66	1,968
Autism	-	-	-	2,764	236	3,000
Other	32	459	491	-	-	-
	32	459	491	4,666	302	4,968
Total charitable activities	32	459	491	4,666	302	4,968

Other costs are security and maintenance costs incurred in order to protect and maintain the freehold property.

(ii) Support costs allocation

2019 Support costs allocation	Learning disability £'000	Other £'000	Total 2019 £'000	Basis of allocation
Management & quality assurance (see note below)	-	417	417	As invoiced
Governance	-	42	42	As invoiced
	<u>-</u>	<u>459</u>	<u>459</u>	

2017 Support costs allocation	Learning disability £'000	Autism £'000	Total 2017 £'000	Basis of allocation
Management & quality assurance (see note below)	50	229	279	As invoiced
Governance	16	7	23	Staff nos.
	<u>66</u>	<u>236</u>	<u>302</u>	

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

4. Staff numbers and costs

Staff costs during the year were as follows:

	Total 2019 £'000	Total 2017 £'000
Wages and salaries	(16)	1,953
Social security costs	(1)	138
Cost of defined benefit pension schemes	46	962
Cost of defined contribution pension schemes	-	39
Other employee benefits	-	1
	<u>29</u>	<u>3,093</u>
Payments made to independent third parties for the provision of staff	-	885
Total payroll and staff related costs	<u>29</u>	<u>3,978</u>

Wages and salaries shown above includes £nil (2017: £167,000) redundancy costs and termination payments which have been fully provided in the accounts and fully funded by the charity. The negative costs in 2019 reflect prior year accruals for holiday pay that are no longer payable following the operational closure in 2017.

Cost of defined benefit pension schemes above includes £46,000 (2017: £900,000) of liabilities towards the scheme as a result of buying out the remaining liability of the Essex pension scheme as part of the orderly wind down of the charity.

Staff numbers and costs (continued)

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.

	2019 Number	2017 Number
Provision of care	-	86
Administration	-	2
	<u>-</u>	<u>88</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.

No employee had emoluments exceeding £60,000 in either 2019 or 2017.

The Trustees consider that, along with themselves, members of the Senior Management Team (as detailed in the Trustees' Report) are the charity's key management personnel. The total amount of employee benefits paid to members of the Senior Management Team in respect of their services to HL (including remuneration, employer's pension contributions and other benefits) was £nil (2017: £nil).

5. Remuneration of Trustees

No trustee received any remuneration or was reimbursed with any expenses during the year (2017: £nil).

Costs of Trustees' meetings amounted to £nil in the year (2017: £nil).

6. Net expenditure

	Total 2019 £'000	Total 2017 £'000
The net incoming resources for the period is stated after charging		
Auditors' remuneration for audit services	2	9
Depreciation	94	334
Profit on disposal of tangible fixed assets	(207)	-
Loss on disposal of tangible fixed assets	<u>15</u>	<u>26</u>

7. 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.

8. Intangible fixed assets

	Computer software £'000
Cost	
At 1 December 2017	919
Disposals	(919)
At 31 May 2019	-
Depreciation	
At 1 December 2017	919
Disposals	(919)
At 31 May 2019	-
Net book amount at 31 May 2019	-
Net book amount at 30 November 2017	-

9. Tangible fixed assets

	Freehold property £'000	Motor vehicles £'000	Fixtures and fittings £'000	Computers £'000	Total £'000
Cost					
At 1 December 2017	2,963	7	261	17	3,249
Disposals	(2,886)	(7)	(261)	(17)	(3,172)
At 31 May 2019	77	-	-	-	77
Depreciation					
At 1 December 2017	786	7	231	12	1,036
Provided in the period	77	-	14	3	94
Impairment charge	-	-	-	-	-
Disposals	(863)	(7)	(245)	(15)	(1,130)
At 31 May 2019	-	-	-	-	-
Net book amount at 31 May 2019	77	-	-	-	77
Net book amount at 30 November 2017	2,177	-	30	6	2,213

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

10. Debtors

	2019 £'000	2017 £'000
Trade debtors	-	2
Prepayments and accrued income	3	1
Other debtors	-	-
	3	3

11. Creditors: amounts falling due within one year

	2019 £'000	2017 £'000
Trade creditors	-	-
Amounts owed to parent charity (see below)	2,470	3,835
Taxation and social security	-	-
Accruals and deferred income	-	47
Other creditors	4	527
	<u>2,474</u>	<u>4,409</u>

Accruals and deferred income includes deferred income of £nil (2017: £nil).

Included in amounts owed to parent charity is a loan of £1,552,000 (2017: £3,002,000). The loan is repayable on demand with no interest; however, DT, the charity's parent undertaking, has agreed to provide the support required to enable the charity to finalise its closure and wind-up.

Other creditors include pension liabilities of £nil (2017: £512,000).

12. Funds

2019

	Balance at 1 December 2017 £'000	Movement in resources			Balance at 31 May 2019 £'000
		Incoming £'000	Outgoing £'000	Transfers £'000	
Selbourne Court					-
IT equipment	5	-	-	-	5
Other	1	-	-	-	1
Total restricted funds	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Pension reserve	-	-	-	-	-
General funds	(2,068)	207	(491)	-	(2,353)
Total unrestricted funds	<u>(2,068)</u>	<u>207</u>	<u>(491)</u>	<u>-</u>	<u>(2,353)</u>

2017

	Balance at 1 June 2016 £'000	Movement in resources			Balance at 30 November 2017 £'000
		Incoming £'000	Outgoing £'000	Transfers £'000	
Selbourne Court	14	2	(11)	(5)	-
IT equipment	5	-	-	-	5
Other	1	-	-	-	1
Total restricted funds	<u>20</u>	<u>2</u>	<u>(11)</u>	<u>(5)</u>	<u>6</u>
Pension reserve	(264)	-	264	-	-
General funds	(502)	2,999	(4,570)	5	(2,068)
Total unrestricted funds	<u>(766)</u>	<u>2,999</u>	<u>(4,306)</u>	<u>5</u>	<u>(2,068)</u>

13. Analysis of net assets between funds

	Tangible fixed assets £'000	Other net assets/ (liabilities) £'000	Provisions for liabilities £'000	Pension scheme liability £'000	Total 2019 £'000
2019					
Restricted	5	1	-	-	6
Unrestricted:					
Pension reserve	-	-	-	-	-
General funds	71	(2,425)	-	-	(2,353)
	<u>77</u>	<u>(2,424)</u>	<u>-</u>	<u>-</u>	<u>(2,347)</u>
	Tangible fixed assets £'000	Other net assets/ (liabilities) £'000	Provisions for liabilities £'000	Pension scheme liability £'000	Total 2017 £'000
2017					
Restricted	5	1	-	-	6
Unrestricted:					
Pension reserve	-	-	-	-	-
General funds	2,207	(4,275)	-	-	(2,068)
	<u>2,212</u>	<u>(4,274)</u>	<u>-</u>	<u>-</u>	<u>(2,062)</u>

14. Pension costs

(i) Defined benefit scheme

The charity participated in a defined benefit pension scheme operated by Essex County Council. The contributions were determined by Barnett Waddingham, independent qualified actuaries, on the basis of triennial valuations. Whilst the charity is a small admission body ("SAB"), Essex County Council decided that all employees within the SAB group would be established on a standalone basis for the purpose of actuarial valuations and that future assessments of employer contributions would be prepared on an individual employer basis and not on a grouped basis, requiring the charity to fully adopt FRS102 Section 28.

In 2017 the charity approved the decision to buy out the remaining liability on the scheme and obtained a closing valuation on for the scheme liability prepared on that basis. Accordingly, £512,000 was recognised in other creditors in 2017 as the estimated cost of closing the scheme and buying out the remaining liability.

In 2019, the scheme was fully settled at a final cost of £512,000 and there are no remaining liabilities due to the scheme at 31 May 2019.

Contributions during the period were £nil (2017: £65,000). Contributions for the next financial year are expected to be £nil (2017: £nil).

(ii) Defined contribution schemes

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 period were £nil (2017: £39,000.)

15. Related party transactions

The Disabilities Trust

During the year the company paid to (received from) its parent company, DT, the following transactions:

	2019 £'000	2017 £'000
Staff costs	-	2,786
Management charge	-	195
Share of autism central costs	-	83
Pension costs	(525)	-
Professional costs	(116)	-
Security costs	(251)	-
Repayment of Capital Loan	1,450	-
Gas & electricity	(10)	32
Insurance	-	10
Credit card charges	-	35
Motor and travel expenses	-	14
Other	(24)	23

At 31 May 2019, £2,471,000 (2017: £3,835,000) was owed to DT.

There are no other related party transactions.

16. Ultimate parent undertaking

The largest, and only, group in which the results of the charity are consolidated is that headed by The Disabilities Trust which is the ultimate parent undertaking. DT is registered as a company number 2334589 (England & Wales) and as a charity numbers 800797 (England & Wales) and SCO38972 (Scotland). Control is exercised through the power to appoint or remove the majority of Trustees.

DT is a leading charity that delivers leading edge-services to support people with complex and challenging disabilities. Its purpose as set out in its governing document is "the provision of specialist housing and high quality care, rehabilitation and support for people with physical disabilities, autism, acquired brain injury and learning disabilities".

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.

LEGISLATIVE AND ADMINISTRATIVE INFORMATION

Registration

Name of the charity:	Hamilton Lodge Trust Limited
Company registration number:	489657
Country of Incorporation:	United Kingdom
Charity registration number:	306080
Registered office:	First Floor 32 Market Place Burgess Hill West Sussex RH15 9NP
Principal office:	Rectory Road Parsons Hill Great Bromley Colchester Essex CO7 7JB
Trustees:	Mr S Howell Dr C S Drugan Mr M Green Mr R A Hoyle Ms E C Jackman Mr M Rowe
Secretary:	Mr D Cunningham (resigned 1 December 2017)
Bankers:	Barclays Bank plc Level 28 1 Churchill Place London E14 5HP

Solicitors:

DAC Beachcroft LLP
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EC4A 1BN

Auditor:

Crowe U.K. LLP
Registered Auditor
Chartered Accountants
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EC4Y 8EH