

Registered charity number
1071041
Company number
03590104

LODGE HILL TRUST (Limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2015

WEDNESDAY



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LODGE HILL TRUST

CHARITY INFORMATION

Registered name	Lodge Hill Trust
Company number	03590104
Charity registration number	1071041
Trustees	Mr Andrew Vivian, JP; BSc (Chairman) Mrs Rosie Cornish, JP; MA (Ed) Mr James Dunn, BSc; MRICS Mr David Jones, FCA Mr Guy Nelson, MA (Ed); NPQH Mrs Hilary Riddell, JP; MA; MBA Mr Martin Troy, MA Mr Richard Whittaker Mrs Bridget Youatt, JP; MSc Mrs Elizabeth Bennett, DL
Company Secretary	Mr Martin Troy, MA
Registered address	Lodge Hill Trust Lodge Hill Watersfield Pulborough West Sussex RH20 1LZ
Independent Examiner	Simon Webber BA ACA Spofforths LLP 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
Solicitors	Miller Parris 3-9 Cricketers Parade Broadwater Worthing West Sussex BN14 8JB

LODGE HILL TRUST

CHARITY INFORMATION

Patrons

Mrs Susan Pyper (Lord Lieutenant of West Sussex)
Col. Sir Brian Barttelot, Bt; OBE; DL
The Lord Dholakia, OBE; DL
JMD Knight Esq. DL
Sylvia Countess of Limerick, CBE
The Duchess of Norfolk
Sir Jeremy Thomas, KCMG

President

Mrs Penny Hardwick, OBE; JP; DL

Key Management Personnel

Lisa May (CEO)
Paul Catt (Operations Manager)
Katie Collet (Finance Manager)
Kevin Stillwell (Facilities Manager)
Nick Turner (Activities Manager)
Jane Thompson (Catering Manager)

Investment advisers

Waverton Investment Management Ltd
16 Babmaes Street
London
SW1Y 6AH

Bankers

National Westminster Bank Plc
5 East Street
Chichester
West Sussex
PO19 1HH

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Property advisers

Stephen Freeth
Freeth Construction Consultants
79 Blackes Farm Road
Southwater
Horsham
RH13 9GH

LODGE HILL TRUST

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LODGE HILL TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2015. The financial statements comply with The Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accountancy and Reporting by Charities; Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard for Smaller Entities.

Trustees

The trustees who served during the year and to the date of this report were as follows:

Mr Andrew Vivian, JP; BSc, Chairman of the Trust
Mrs Rosie Cornish, JP; MA (Ed)
Mr James Dunn, BSc; MRICS
Mr David Jones, FCA
Mr Guy Nelson, MA (Ed); NPQH
Mrs Hilary Riddell, JP; MA; MBA
Mr Martin Troy, MA
Mr Richard Whittaker
Mrs Bridget Youatt, JP; MSc
Mrs Elizabeth Bennett, DL

Structure, governance and management

Governing instrument

Lodge Hill Trust (the charity or the Trust) is a company limited by guarantee under registered number 3590104, and a registered charity under charity number 1071041. It was incorporated on 30th June 1998. The charity is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

New trustees are recruited by word of mouth and by utilising the knowledge of the existing trustees who have a wide network of contacts in the voluntary and business communities in West Sussex. Potential trustees visit Lodge Hill and meet with the chairman and at least one other trustee. They are provided with background papers and receive a detailed briefing. If both sides feel that they wish to proceed, the potential trustee is invited to attend a trustees' meeting as an observer. Following the meeting a decision is made on whether to invite the individual to become a trustee.

When seeking new trustees Lodge Hill looks for:-

Compatibility with the charity's values, aims and way of working.

Availability to attend meetings, support activities, work on sub-committees, interact with staff and to encourage supporters.

An enduring enthusiasm for the charity's objectives.

An ability to establish priorities and to make logical decisions.

They must be able to contribute effectively, to have listening skills and must have a willingness to share responsibilities.

While specialist expertise is not a pre-requisite, new trustees should enrich the diversity of the board.

Trustees must possess independence of mind and have the skill to challenge constructively, and be capable of and have experience of strategic thinking at board level.

All new trustees join an induction programme designed to familiarise them with the strategy, management and day-to-day activity of Lodge Hill.

LODGE HILL TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2015

Organisational structure

The trustees meet as a board on at least four occasions during the year. Closer involvement in the charity's activities is maintained by appropriate committees of trustees, staff, users and professional advisers. Each committee reports to the board and is chaired by a trustee. Committees that were in place in 2015 were:-

Property
Finance
Health and Safety
Marketing

The day-to-day activities have been directed by the Chief Executive, Lisa May, who works closely with the chairman of the Trustees. She is supported by her management team.

Wider network

Lodge Hill works with a wide range of youth and community organisations but does not have formal links with any wider network.

Related parties

The Supporters of Lodge Hill is a separate charity (registration number 1087269) that supports the work of Lodge Hill. It has its own constitution and trustees.

The Trust owns the issued share capital of Lodge Hill Services Limited. This company is dormant and has not traded during the current financial year.

Risk Management

The trustees have carried out an assessment of the major risks to which the charity is exposed. Procedures and systems are in place to mitigate these risks.

The risk assessment is formally reviewed each year and is updated throughout the year.

Objectives and activities

Objectives and aims

The aim and purpose of the Trust is to ensure that the young people and others of West Sussex and beyond enjoy the educational benefits available at the Centre.

The objects of the Trust set this out as:

The advancement of the education of young people by helping them to develop their mental, physical and spiritual capacities that they may grow to full maturity as individuals and members of society and that their conditions of life may be improved.

Charitable activities

Under the Charities Act 2006, the trustees are required to report on how the Trust has carried out its aims for the public benefit.

The Trust's objects are set out in the Memorandum of Association and include particularly the advancement of the education of young people and the provision of the facilities for the further education of adults.

LODGE HILL TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2015

The Charity Commission has set out 2 key principles of public benefit, being that there must be identifiable benefits which are related to the Trust's aims and that the benefit must be for the public or a section of the public.

A) Identifiable benefits related to the objects of the Trust include the following:

1. Provision of Facilities

The 32-acre site at Lodge Hill includes a camp site, residential accommodation, outdoor activities and meeting and conference facilities.

2. Giving an education

The Trust's employees include instructors who are trained in the use of all the facilities at the site enabling all the users to be educated in their use. The instructors are not only able to teach users how to achieve personal targets but also, very importantly, how to achieve those targets as a part of a group or team. The Trust achieved accreditation with "Learning Outside the Classroom".

3. Preserving the environment

The Trust's 32 acre site is mainly woodland which is maintained by the Trust's employees for the benefit of all the users generally but also allowing, particularly, school groups, to fulfil educational requirements arising from the national curriculum.

B) The benefit for the public can be illustrated as follows:

1. Young People

In the year ended 31st December 2015, there were over 26,000 users (mainly young people) who visited Lodge Hill.

2. Use of Outdoor Activities

Outdoor activities are now a large part of the Trust's business with instructors working either full or part time in 2015 and more than 12,500 young people and adults took part in activities organised by the outdoor instructors during that period.

3. Use by Particular Groups

The trust is also proud of its work with young offenders and young people who have disengaged with education and society. The newly structured ChallengeU programme was launched in 2014 and continues to be successful; receiving referrals from across the county.

The Trust has made it a particular priority to ensure that the centre's facilities are available for disabled users and our work in this regard has been recognised by the Go Easy Improving Access Awards in conjunction with Chichester District Council. The now inclusive facilities have attracted a spectrum of users.

Achievement and performance

Chairman

2015 has been a year of further development for Lodge Hill with the financial position continuing to improve, the much needed maintenance and refurbishment works progressed and further additions with numerous improvements to our extensive range of activities.

As a consequence it has been a very busy year indeed for the Lodge Hill team with an increasing variety of visitor groups, events and programmes, as well as some staff changes and reorganisations. There is no doubt that Lodge Hill is so fortunate to have such an able and dedicated team, led most effectively by our most enthusiastic and energetic CEO, all of whom have managed their roles with great commitment, professionalism and skill. In addition some very valuable support has been received from a number of enthusiastic volunteers who have worked so effectively with the Centre throughout the year.

In addition to our growing and most welcome partnership with WSCC, we have seen new groups and visitors discovering Lodge Hill for the first time, particularly with the development of family days and our further work with disabled young people, their families and carers. The unique ChallengeU programme which offers such hope and opportunity for young offenders, young people at risk of offending as well as those who have disengaged with education or society, continues to grow both in demand

The Trustees have continued to provide governance, support and expertise and the experience, knowledge, and enthusiasm they show, provides an invaluable resource in the management and development of the Centre. The Annual Review and Planning Meeting does now provide an important opportunity to focus in more detail on the future needs and direction for the Centre. Based on the business plan and with growing demands for access to Lodge Hill from a wider variety of users and visitors, work has progressed on the Vision for the Future to ensure Lodge Hill is prepared and can meet growing needs and demands.

Throughout 2015, our sponsors, donors, Members and Supporters have all played an invaluable part through their support, interest and encouragement for all that goes on at Lodge hill and we are indebted to them for their contributions.

LODGE HILL TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2015

There is no doubt that Lodge Hill continues to provide a unique experience inspiring everyone whatever age, ability or background who has the opportunity to visit and share in the Lodge Hill Experience.

Development plan

In developing our business plan we recognised that the challenge for Lodge Hill was to become a viable and accessible, high-class provider of choice for users from West Sussex and beyond requiring outdoor activities, residential trips and day meetings/conferences, thus enabling the Trust to remain financially sustainable. We re-affirmed the Trust's mission to target a wide range of groups and individuals, including those with physical disabilities, mental health or learning difficulties and young offenders.

The business plan identified that in order to achieve this challenge the Trust would need to:

1. Maintain financial sustainability whilst ensuring Lodge Hill provides best value for money for young people
2. Maintain a professional and committed staff team
3. Maximise the use of facilities and establish on-going communications with key players and supporters
4. Maintain the centre and its facilities to a high standard and plan appropriate improvements
5. Establish joint initiatives with recognised partners and targeted funding

The business plan is a 'live' document and as such is constantly being updated and refined.

Financial review

2015 was a year of further modest improvement in results. Income from users shows a small dip but donations and grants rose and total income increased by 0.5%.

Costs also rose by 2.3% but include an amount of one off costs and fees paid for professional help with some important fund applications for grants and donations.

The continued improvement in our underlying performance and healthy cash flow allowed us to continue the programme of needed repairs and maintenance and provided cash for improvements to bedroom and bathroom facilities. At the year end there were signs that 2016 could see an increase in commercial income from the Bradbury Hall which would provide funds to invest in our core charitable activities.

Donations

We are extremely grateful for the substantial help we continue to receive in the form of donations and grants.

Reserves policy

As a result of donor's generosity in previous years the trust has a designated fund 'continuity reserve' which includes £106,396 held within the current investment portfolio.

This reserve cushion allows the trustees adequate time to allow for fluctuations without ongoing activities and services being threatened.

As at the end of 2015 total designated reserve funds are considered adequate to meet the charitable objectives of the Trust.

LODGE HILL TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2015

Principal funding

The principal funding source for the operational activities is income from the charges paid by users of the Centre. Capital projects are largely funded by grants and donations from a wide range of sources.

Investment policy and objectives

The Trust has unrestricted authority to invest its funds in the furtherance of its charitable objectives. Although the Trustees have not adopted a specific ethical policy they have instructed the investment managers that they should refrain from investing in companies that undertake activities that are incompatible with the aims and objectives of Lodge Hill.

Statement of Trustees Responsibilities

The trustees (who are also the directors of Lodge Hill Trust 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).*

Company law requires the trustees to prepare financial statements for each financial year, which 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 the year. In preparing these financial statements, the trustees are required to

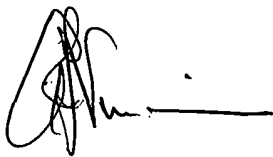
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

Small company provisions

These financial statements have been prepared in accordance with the special provisions of Section 415A of the Companies Act 2006 relating to small charitable companies.

This report was approved by the board on *5th April 2016* and signed on behalf of the board by



Andrew Vivian, JP, BSc
Trustee

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF

LODGE HILL TRUST

(A Company Limited by Guarantee)

I report on the accounts of the company for the year ended 31 December 2015 which are set out on pages 8 to 19.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act); and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

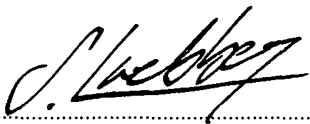
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


.....
Simon Webber BA ACA

Date: 5th May 2016

Spofforths LLP
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

LODGE HILL TRUST
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2015

		Unrestricted		Restricted	2015	2014
	Note	General Funds	Designated Funds	Funds	Total	Total
		£	£	£	£	£
Income						
Donations and legacies	2	14,075	-	51,014	65,089	49,057
Other trading activities	3	36,377	-	-	36,377	40,701
Income from investments	4	1,200	-	-	1,200	1,096
Income from charitable activities	5	578,222	-	-	578,222	586,959
Total income		629,874	-	51,014	680,888	677,813
Expenditure						
Expenditure on charitable activities	6	671,895	68,276	33,986	774,157	756,756
Total expenditure		671,895	68,276	33,986	774,157	756,756
Net income/(expenditure)		(42,021)	(68,276)	17,028	(93,269)	(78,943)
Transfer between funds		(17,178)	17,178	-	-	-
Gains on investment assets		-	1,015	-	1,015	4,532
Net movement in funds		(59,199)	(50,083)	17,028	(92,254)	(74,411)
Reconciliation of funds						
Total funds brought forward		111,513	1,936,693	35,126	2,083,332	2,157,743
Total funds carried forward		52,314	1,886,610	52,154	1,991,078	2,083,332

CONTINUING OPERATIONS

All income and expenditure arise from continuing activities.

LODGE HILL TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2015

REGISTERED NUMBER: 03590104

	Notes	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	11		1,766,139		1,831,312
Current assets					
Stocks	13	4,850		6,108	
Debtors	14	66,484		54,437	
Investments held as current assets	12	106,394		105,381	
Cash at bank and in hand		144,934		210,777	
		322,662		376,703	
Creditors: amounts falling due within one year	15	(97,723)		(124,683)	
Net current assets			224,939		252,020
Net assets			1,991,078		2,083,332
Funds	17				
Unrestricted Income funds					
General funds			52,314		111,513
Designated funds					
Fixed asset fund			1,766,139		1,831,312
Future projects			14,075		-
Continuity reserve			106,396		105,381
Restricted Income funds			52,154		35,126
Total funds			1,991,078		2,083,332

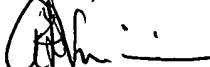
For the year ended 31 December 2015, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

The members have not required the company to obtain an audit of its accounts in question in accordance with section 476; and
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts are prepared in accordance with the special provisions of Part 15 of The Companies Act 2006 relating to small companies.

The financial statements were approved by the board and authorised for issue on 5.4.2016 and signed on behalf of the board by


Andrew Vivian, JP, BSc
Trustee

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the fixed asset investments. 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 for Smaller Entities (effective January 2015) and the Companies Act 2006.

Fund accounting

The charity holds restricted and unrestricted funds.

Funds received for restricted purposes are held as restricted funds until expended. To the extent that restricted funds are expended on capital items a transfer is made between unrestricted and restricted funds.

All unrestricted income not designated for any purposes associated with the Centre is credited to the general fund. It is used to meet the day to day running costs of the centre.

The trustees have established a designated fund in respect of the charity's tangible fixed assets. The tangible fixed asset fund represents the net book value of the charity's assets that are not represented by restricted funds. The funds have been set aside to demonstrate the importance of those assets to the charity's continuing work, and to highlight that the funds do not represent monies available for future expenditure. The continuity reserve designated fund was established as part of the appeal launched in 1998 to raise funds for the acquisition of the Centre. It is expendable at the discretion of the Trustees. Income arising from investments held in the fund is unrestricted. Funds have been set aside in a designated fund to cover the cost of future essential repairs to the property and grounds. The costs associated with the construction of the building were transferred to unrestricted funds as they were incurred and the building is shown as part of tangible fixed assets. Funds have also been set aside to cover the costs of future projects the charity will be carrying out.

Income

No income has been included in the SOFA net of expenses.

a) Donations and voluntary income

Donations and voluntary income are accounted for on a receivable basis. Tax reclaimable on income received under gift aid is accounted for when gifts are received. Income received that relates to a period after the balance sheet date is treated as deferred income. Gifts in kind donated to the charity are included as donations in the SOFA at the market value to the charity.

b) Donated assets, services and facilities

In accordance with the SORP, assets or services given for use by the charity are brought into account at a reasonable estimate of their value to the charity as deemed by the trustees, and are recognised as income when the charity has control over the item and receipt of the economic benefit by the charity is probable and can be measured reliably.

c) Legacies

Legacies are brought into account when the earlier of the date on which the charity is aware probate has been granted, the estate has been finalised and notified by the executors or when a distribution is received.

d) Grants

Grants are accounted for on an accruals basis.

e) Investment income

Investment income including rents is accounted for on a receivable basis.

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Expenditure

Expenditure is included on an accruals basis when there is a legal or constructive obligation to make a payment to a third party, is it probable that settlement will be required and the amount of the obligation can be measured reliably.

a) Allocation and apportionment of costs

Resources expended are allocated to charitable activities and include support costs and governance costs. Support costs include advertising, legal and professional and finance costs, whilst governance costs includes the independent examiners and accountancy fees.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property, meeting hall and campsite	2% per annum straight line
Fixtures, fittings and equipment:	
Campsite equipment and outdoor activities	25% per annum straight line
Fixtures and fittings	15% reducing balance
IT suite	25% per annum straight line
Office equipment	25% per annum straight line
Motor vehicles	25% reducing balance

Individual assets purchased or donated with a cost or estimated value less than £2,000 are not capitalised.

Stocks

Stock is consistently valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

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 and provisions

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.

Investments

Investments held as current assets are shown at their market values as at the balance sheet date.

Pensions

The charity operates a multi-employer defined benefit scheme in conjunction with The Pensions Trust but its share of the underlying assets and liabilities in the scheme cannot be identified on a consistent and reasonable basis and therefore the scheme is accounted for as a defined contribution scheme.

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Donations and legacies

	2015	2014
	Total	Total
	£	£
Local Authority Grants	44,894	40,352
Other grants	-	-
Donations - Individuals	8,207	1,665
Donations - Trusts	5,850	1,300
Donations - Other	6,138	5,740
	65,089	49,057

Of the £65,089 received in 2015 (2014: £49,057) £51,014 was restricted funds (2014: £41,392) and £14,075 unrestricted (2014: £7,665).

3 Other trading activities

	2015	2014
	Total	Total
	£	£
Phone mast income	15,556	18,181
Rental income	17,064	18,942
Staff accommodation	3,757	3,578
	36,377	40,701

All funds for 2015 and 2014 were unrestricted.

4 Income from investments

	2015	2014
	Total	Total
	£	£
UK quoted investments	963	799
UK bank accounts	237	297
	1,200	1,096

All funds for 2015 and 2014 were unrestricted.

5 Income from charitable activities

	2015	2014
	Total	Total
	£	£
Bed nights and other charges	389,469	414,525
Day conferences	48,805	38,145
Activities	127,614	123,935
Minibus hire	782	1,484
Campsite hire	11,532	7,915
Sundry charges	20	955
	578,222	586,959

All funds for 2015 and 2014 were unrestricted.

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

6 Expenditure on charitable activities

	2015 Total £	2014 Total £
Direct costs		
Wages and salaries	437,054	334,616
Staff training and welfare	4,835	3,261
Activities expenses	9,173	8,315
Cleaning and laundry	5,134	5,360
Course expenses	8,721	7,944
Domestic services	38,461	108,649
Equipment purchased	18,535	20,698
Instructors	17,049	13,584
Uniform	1,425	4,416
Insurance	16,087	15,870
Light and heat	23,532	28,324
Motor and travel	4,470	2,790
Printing, postage and stationary	3,430	3,236
Rates	8,756	13,116
Depreciation	68,276	77,310
Repairs and maintenance	71,194	86,814
Telephone	2,356	1,295
Sundry expenses	2,852	1,801
	741,340	737,399
Support costs		
Advertising	6,761	6,934
Legal and professional	21,423	4,884
Bank charges	1,628	1,403
Bad debt	(2,593)	(2,218)
Profit on sale on fixed assets	-	-
	27,219	11,003
7 Governance costs		
Independent examination fee	3,000	-
Accountancy fees	1,748	-
Auditor's remuneration - Audit services	-	5,950
Auditor's remuneration - Non Audit services	-	1,569
Trustees' indemnity insurance	850	835
	5,598	8,354
	774,157	756,756

Of the £774,155 expenditure in 2015 (2014: £756,756) £33,986 was charged to restricted funds (2014: £62,301) and £740,169 (2014: £694,455) to unrestricted.

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Taxation

The company is a registered charity in accordance with the Charities Act 2011 and its income and gains are exempt from taxation under the provisions of Section 505 of the Income and Corporation Taxes Act 1988.

9 Trustees remuneration and benefits

Miller Paris Solicitors, a firm in which Mr Martin Troy is a partner were paid £350 for legal advice (2014: paid to hire a meeting room £134). Mr Troy received no payments for his services as a trustee nor did he claim any expenses.

Supporters of Lodge Hill, a charity in which trustee Mrs Rosie Cornish is a trustee, did not use the centre for activities during the year (2014: £153) and repaid £10 of the previous balance owed. A balance of £905 owed by Supporters of Lodge Hill as at 31 December 2015 (2014: £915).

The charity paid £850 (2014: £835) for trustees' indemnity insurance.

Apart from as noted above, no trustee received any remuneration or expenses for the years ended 31 December 2015 or 31 December 2014.

10 Staff costs

	2015 £	2014 £
Wages and salaries	401,153	304,281
Social security costs	26,774	20,677
Pension contributions	9,127	9,658
	<u>437,054</u>	<u>334,616</u>

The average number of employees during the year was as follows:

Full and part time staff:	29	24
	<u>29</u>	<u>24</u>

No employees were paid emoluments in excess of £60,000 per annum during the year.

10 Net income / (expenditure) for the year

	2015 £	2014 £
This is stated after charging:		
Depreciation	68,276	77,310
Independent examination fees	3,000	-
Accountancy fees	1,748	1,569
Audit fees	-	5,950
	<u>73,024</u>	<u>84,829</u>

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

11 Tangible fixed assets

	Freehold property, meeting hall and campsite £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At beginning of year	2,152,594	427,675	5,339	2,585,608
Additions	-	3,103	-	3,103
At end of year	2,152,594	430,778	5,339	2,588,711
Depreciation				
At beginning of year	448,695	300,262	5,339	754,296
Charge for the year	51,214	17,062	-	68,276
At end of year	499,909	317,324	5,339	822,572
Net book value				
At 31 December 2015	1,652,685	113,454	-	1,766,139
<i>At 31 December 2014</i>	<i>1,703,899</i>	<i>127,413</i>	<i>-</i>	<i>1,831,312</i>

12 Investments

	Shares in group undertakings £	Listed investments £	Cash and settlements pending £	Total £
Market value				
At beginning of year	2	102,052	3,327	105,381
Additions	-	6,042	4,827	10,869
Disposal proceeds	(2)	(4,828)	(6,041)	(10,871)
Revaluations	-	1,015	-	1,015
At end of year	-	104,281	2,113	106,394
Net book value				
At 31 December 2015	-	104,281	2,113	106,394
<i>At 31 December 2014</i>	<i>2</i>	<i>102,052</i>	<i>3,327</i>	<i>105,381</i>

The market value of fixed investments includes the following investments which individually exceed 5% of the total value of investments.

	2015 £	2014 £
Waverton Sterling Bond Fund 'A' Inc £	14,934	14,820
Waverton Equity Fund 'A' £	71,046	74,409
Waverton Alternatives Fund II 'A' Inc	18,301	12,823

Lodge Hill Trusts owned 100% of the issued share capital of Lodge Hill Services Ltd, a dormant company registered in England and Wales which was dissolved in May 2015. Net assets of the company amounted to £2 (2014: £2).

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Stocks	2015	2014
	£	£
Stock of goods for re-sale	3,352	3,397
Catering stock	1,498	2,711
	4,850	6,108
14 Debtors	2015	2014
	£	£
Trade debtors	58,562	44,495
Other debtors	776	203
Prepayments and accrued income	7,146	9,739
	66,484	54,437
15 Creditors: amounts falling due within one year	2015	2014
	£	£
Bank overdraft	10,071	-
Trade creditors	22,071	13,307
Deferred income	46,400	39,585
Other taxes and social security costs	12,493	21,038
Other creditors	6,688	50,753
	97,723	124,683
16 Deferred income	2015	
	£	
At the beginning of the year	39,585	
Amount released to incoming resources	(39,585)	
Amount deferred in the year	46,400	
At end of year	46,400	

Deferred income comprises of phone mast income £15,139 (2014: £nil), rental income £1,689 (2014: £nil), bed night fees £23,522 (2014: £39,585), day conferences of £3,172 (2014: £nil) and other of £2,878 (2014: £nil).

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

17 Movement in funds	Balance at 1 January 2015 £	Net income/ (expenditure) £	Transfers between funds £	Balance at 31 December 2015 £
Unrestricted funds				
General fund	111,513	(42,021)	(17,178)	52,314
Fixed asset fund	1,831,312	(68,276)	3,103	1,766,139
Future projects	-	-	14,075	14,075
Continuity reserve	105,381	1,015	-	106,396
	<u>2,048,206</u>	<u>(109,282)</u>	<u>-</u>	<u>1,938,924</u>
Restricted funds				
Rank foundation	-	240	-	240
Sno-tubing	-	19,800	-	19,800
Adventure trail	3,597	(587)	-	3,010
ChallengeU	30,611	(2,764)	-	27,847
Small restricted funds	918	339	-	1,257
WSCC short breaks family days	-	-	-	-
	<u>35,126</u>	<u>17,028</u>	<u>-</u>	<u>52,154</u>
Total funds	<u><u>2,083,332</u></u>	<u><u>(92,254)</u></u>	<u><u>-</u></u>	<u><u>1,991,078</u></u>

Net income / (expenditure), included in the above are as follows:

	Income £	Expenditure £	Gains and losses £	Net income/ (expenditure) £
Unrestricted funds				
General fund	629,874	(671,895)	-	(42,021)
Fixed asset fund	-	(68,276)	-	(68,276)
Designated fund - continuity reserve	-	-	1,015	1,015
	<u>629,874</u>	<u>(740,171)</u>	<u>1,015</u>	<u>(109,282)</u>
Restricted funds				
Rank foundation	720	(480)	-	240
Sno-tubing	19,800	-	-	19,800
Adventure trail	-	(587)	-	(587)
ChallengeU	25,400	(28,164)	-	(2,764)
WSCC short breaks family days	4,374	(4,374)	-	-
Small restricted funds	720	(381)	-	339
	<u>51,014</u>	<u>(33,986)</u>	<u>-</u>	<u>17,028</u>
Total funds	<u><u>680,888</u></u>	<u><u>(774,157)</u></u>	<u><u>1,015</u></u>	<u><u>(92,254)</u></u>

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

The restricted funds are funds received from donors to fund specific activities during the year.

ChallengeU - funds received to cover the costs of ChallengeU and to meet the costs of employing the programme Co-ordinator.

WSSC short breaks family days - West Sussex CC has provided funding to subsidise the costs in respect of short break activity days held for disabled children and their families.

Sno-tubing - funds received to cover the costs of building and maintaining the sno-tubing activity.

Rank foundation - funds received to cover the costs of a students living and general expenses whilst completing an apprenticeship at Lodge Hill.

Adventure trail - funds received to cover the costs of building a trail through the grounds of Lodge Hill.

The Trustees are satisfied that there are adequate resources available to enable each of the above funds to be applied in accordance with the restrictions imposed.

18 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	-	1,766,139	-	1,766,139
Investments	-	106,394	-	106,394
Current assets	150,039	14,075	52,154	216,268
Current liabilities	(97,723)	-	-	(97,723)
At end of year	52,316	1,886,608	52,154	1,991,078

19 Capital commitments

	2015 £	2014 £
Amounts contracted for but not provided in the financial statements	-	1,729

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

20 Pension commitments

Lodge Hill Trust participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the state scheme. The Plan is a multi-employer defined pension plan. The charity's permanent employees are encouraged, but not obliged, to join a pensions scheme with The Pensions Trust.

The Plan is a multi-employer scheme where the plan assets are co-mingled for investment purposes, and benefits are paid from the total Plan assets. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of the underlying assets and liabilities belonging to the individual participating employers. Due to the nature of the Plan, the accounting charge for the year under FRS17 represents the employer contribution payable.

The rules of the Plan give the Trustees the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as technical provisions.

If the actuarial valuation reveals a deficit, the Trustees will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

The total employer contribution made for the year ended 31 December 2015 was £8,425 (2014 - £9,658). The agreed normal contribution rates for future years are 5% for the employer and 5% for the employees. At the year end there were outstanding contributions of £1,190 (2014 - £1,449). As at the balance sheet date there were 4 active members of the Plan employed by Lodge Hill Trust.

Actuarial valuations are carried out every three years for funding purposes using the projected unit method. The funding position is calculated by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The most recent valuation results at 30 September 2011 have now been completed and have been formalised. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

Regulations require the Trustee to set a prudent basis for valuing the Scheme's benefits, taking into account the strength of the employers' covenant and the Scheme Actuary's advice. The Trustee is also required to consult with employers or their representative. The Growth Plan Employer Consultative Group (GPECG), which acts as the employers' representative for the purposes of Scheme funding, have been consulted on the valuation basis and assumptions. The value of the liabilities on this on-going basis is known as the Technical Provisions.

Where a Scheme's assets are less than the Technical Provisions a recovery plan must be put in place to show how the deficit can be eliminated over a fixed period. The recovery plan must be submitted to The Pensions Regulator who may investigate schemes and require changes where the Technical Provisions are set at too low a level or where the recovery period is too long. The proposed recovery plan for the Growth Plan aims to eliminate the deficit via a combination of additional contributions from employers and investment returns over a period of 10 years from 1 April 2013.

The results of the 30 September 2011 triennial valuation have confirmed the requirement for additional contributions to the Growth Plan from 1 April 2013. Contributions will be required from all employers who have employed members with Growth Plan Series 1 and 2 benefits i.e. all employers that employed active members before 1 October 2001. Because Series 3 liabilities do not contribute towards the deficit (as investments are matched to liabilities) the Trustee has agreed that employers who have only ever had involvement with Series 3 will not be required to pay any additional contributions from 1 April 2013. However, the Trustees may revisit this decision following the next valuation, scheduled to take place as at 30 September 2014. As at April 2015 the actuarial valuation as at 30 September 2014 had yet to be finalised.

The additional contributions required from Lodge Hill Trust for the year from 1 April 2015 will be £1,448.51 per annum (i.e. £120.71 per month). The amount of additional contributions required from Lodge Hill Trust for the year from 1 April 2016 will be £1,491.97 (i.e. £124.33 per month).

LODGE HILL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

21 Company Limited by guarantee

The company is limited by guarantee and accordingly has no share capital.

22 Supporters of Lodge Hill

The Supporters of Lodge Hill is a separate charity (registration number 1087269) that supports the work of Lodge Hill. It has its own constitution and trustees.

23 Control

The company is controlled on a day to day basis by the trustees who are the directors of the company.