

**Registered charity number**  
**1071041**  
**Company number**  
**03590104**

**LODGE HILL TRUST (Limited by guarantee)**

**TRUSTEES' REPORT AND AUDITED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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## LODGE HILL TRUST

### CHARITY INFORMATION

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<b>Registered name</b>	Lodge Hill Trust
<b>Company number</b>	03590104
<b>Charity registration number</b>	1071041
<b>Trustees</b>	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
<b>Company Secretary</b>	Mr Martin Troy, MA
<b>Chief Executive Officer</b>	Lisa May BSc; Dip HSW
<b>Registered address</b>	Lodge Hill Trust Lodge Hill Watersfield Pulborough West Sussex RH20 1LZ
<b>Auditor</b>	Spofforths LLP 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
<b>Solicitors</b>	Miller Parris 3-9 Cricketers Parade Broadwater Worthing West Sussex BN14 8JB

## **LODGE HILL TRUST**

### **CHARITY INFORMATION**

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#### **Patrons**

Mrs Susan Pyper (Lord Lieutenant of West Sussex)  
Henry Adams Esq. FRICS; FAAV  
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

#### **Investment advisers**

J O Hambro Investment Management Limited  
21 St Jame's Square  
London  
SW1Y 4HB

#### **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 2013**

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the audited financial statements of the charity for the year ended 31st December 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

#### **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 2013**

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#### **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 2013 were:-

Property  
Finance  
Health and Safety  
Staff Liaison  
Advisory  
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 Paul Catt, Operations Manager; Nick Turner, Activities Manager; Kevin Stillwell, Facilities Manager; and Don Richardson, Finance Manager.

#### **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 2013**

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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 and residential facilities, climbing apparatus, orienteering courses, meeting hall facilities and an open learning centre for use by the residents and members of the local rural community.

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 2013, there were over 20,000 users (mainly young people) who visited Lodge Hill. Of these 71% were from West Sussex who used the facilities with the benefit of a subsidy from the Trust.

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 2013 and more than 11,500 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 in conjunction with the West Sussex Probation Service and disabled groups and charities.

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

### **Achievement and performance**

#### **Chairman**

2013 has been another very busy and significant year for everyone at Lodge Hill. Overall, the essential improvement in Lodge Hill's financial performance which was commenced last year, has continued throughout 2013. Although there was a fall in bed night numbers, bookings for our activities increased significantly which, together with the cost savings resulting from the major review last year and a growing number of other events at Lodge Hill, have ensured that future plans and some delayed maintenance work can be progressed.

Lisa May, our CEO together with her management team has led our very dedicated and able team at the centre tirelessly, enthusiastically and so effectively throughout the year. We are so fortunate to have such a competent and committed team at Lodge Hill who, with our onsite partners, enable us to provide all the opportunities for young people that we do. They ensure that all who visit Lodge Hill have those unique opportunities to learn about themselves as they live, work and play with other young people in our special environment.

As well as our team at Lodge Hill I would like to thank my fellow Trustees for all their support, hard work and enthusiasm. Each and every one continues to play such an important role in keeping Lodge Hill a vibrant, effective and enjoyable centre.

The year was tinged with sadness at the sudden death of Henry Adams who was such a great supporter of Lodge Hill. His interest and enthusiasm for the centre and all it stands for remained undiminished ever since he joined as a founder member on the steering committee for the Trust right at the start and his presence is greatly missed.

## **LODGE HILL TRUST**

### **REPORT OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 DECEMBER 2013**

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One of the elements in the original plan for Lodge Hill was to make better provision for young people with disabilities to enable a range of disabled people and their carers to experience and enjoy the centre. With the refurbishment of the Kart Track and the provision of new all-terrain vehicles as well as other developments, we have made great progress with this very rewarding extension of our work with young people. Further plans and ideas are being progressed and we are looking forward to launching some of those next year.

Our marketing effort now plays a big part in the life of the Centre. New initiatives with family fun days, Short Breaks, fairs and open days all proved very popular allowing more people to discover Lodge Hill for themselves.

We have been very fortunate to receive a number of donations throughout the year which are so appreciated and are invaluable in enabling us to progress our plans and developments for the benefit of the young people who visit us. I would like to thank once again most sincerely, all our donors, sponsors and supporters for the funds, interest, and support they most generously give.

The Supporters of Lodge Hill (SOLH) play a very important part of the Centre and held two major very well supported and most enjoyable events in 2013 and looking ahead, we have an exciting and full programme for 2014 with the object being to enable even more young people to experience, enjoy and benefit from the Lodge Hill Experience. It is a truly remarkable and special place for young people of all ages, abilities and backgrounds to gain confidence, life skills and experience that will stand them in very good stead throughout their lives.

#### **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**

After several difficult years, 2013 saw a marked improvement in Lodge Hill finances thanks to a lot of hard work by all staff. The number of bed nights, one measure of overall activity, was down but other areas grew. Costs were reduced and we were able to cover all depreciation costs and generate a small amount of cash.

Repair and maintenance work was once again curtailed in 2013 but the cash situation has allowed us to plan an increased amount of repairs and enhancements in 2014.

Donations for capital projects continued and we have seen an increase in donor's willingness to sponsor part of our activities enabling to reach out to new and often disadvantaged users. Once again we are extremely grateful to all those people, Trusts and local government bodies that have continued to support us.

#### **Reserves policy**

As a result of donors' generosity in previous years the trust has a designated fund "continuity reserve" which includes £100,000 held within the current investment portfolio.

This reserve cushion allows the trustees adequate time to address income fluctuations without the on going activities and services of the trust being threatened.

As at the end of 2013 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 2013**

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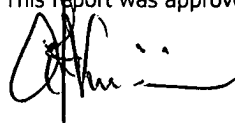
#### **Principal funding**

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.

This report was approved by the board on 8 April 2014 and signed on behalf of the board by



Andrew Vivian, JP, BSc  
Trustee

## **LODGE HILL TRUST**

### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

#### **FOR THE YEAR ENDED 31 DECEMBER 2013**

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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.

#### **Trustees' Disclosure of Information to the Auditor**

In so far as the trustees are aware:

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

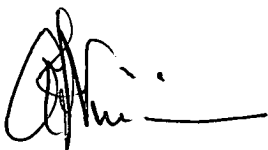
#### **Small company provisions**

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 statement was approved by the board on

8 April 2014

and signed on behalf of the board by



Andrew Vivian, JP, BSc

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

## **LODGE HILL TRUST**

**(A Company Limited by Guarantee)**

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We have audited the financial statements of Lodge Trust for the year ended 31 December 2013 which comprise the Statement of Financial Activities (incorporating the Summary Income and Expenditure Account), Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2009) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

### **Scope of the audit opinion**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

## **LODGE HILL TRUST**

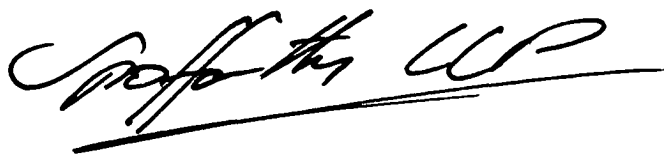
**(A Company Limited by Guarantee)**

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### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



**Spofforths LLP**  
**Chartered Accountants and Statutory Auditor**

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

*30<sup>th</sup> April 2014*

Spofforths LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# **LODGE HILL TRUST**

## **STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

		Unrestricted				
	Note	General Funds	Designated Funds	Restricted Funds	2013 Total	2012 Total
			£	£	£	£
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	2	4,368	-	250,714	255,082	78,920
Activities for generating funds	3	36,132	-	-	36,132	31,366
Investment income	4	1,083	-	-	1,083	1,486
<b>Incoming resources from Charitable Activities</b>						
Centre services	5	524,156	-	-	524,156	588,818
<b>Total incoming resources</b>		<b>565,739</b>	<b>-</b>	<b>250,714</b>	<b>816,453</b>	<b>700,590</b>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Fundraising		13,495	-	-	13,495	18,913
Investment management costs	6	180	-	-	180	1,085
<b>Charitable activities</b>						
Centre services	7	521,401	64,036	79,816	665,253	707,393
<b>Governance costs</b>	9	<b>10,227</b>	<b>-</b>	<b>-</b>	<b>10,227</b>	<b>7,851</b>
<b>Total resources expended</b>		<b>545,303</b>	<b>64,036</b>	<b>79,816</b>	<b>689,155</b>	<b>735,242</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>20,436</b>	<b>(64,036)</b>	<b>170,898</b>	<b>127,298</b>	<b>(34,652)</b>
Gross transfer between funds		(22,243)	107,847	(85,604)	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		<b>(1,807)</b>	<b>43,811</b>	<b>85,294</b>	<b>127,298</b>	<b>(34,652)</b>
Gains on investment assets		11,417	-	-	11,417	6,776
<b>Net movement in funds</b>		<b>9,610</b>	<b>43,811</b>	<b>85,294</b>	<b>138,715</b>	<b>(27,876)</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>77,913</b>	<b>1,927,993</b>	<b>13,122</b>	<b>2,019,028</b>	<b>2,046,904</b>
<b>Total funds carried forward</b>		<b>87,523</b>	<b>1,971,804</b>	<b>98,416</b>	<b>2,157,743</b>	<b>2,019,028</b>

### **CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities

# **LODGE HILL TRUST**

## **BALANCE SHEET**

**AS AT 31 DECEMBER 2013**

**REGISTERED NUMBER: 03590104**

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	13	1,870,955	1,837,993
<b>Current assets</b>			
Stocks	15	6,918	2,038
Debtors	16	63,687	73,016
Investments held as current assets	14	100,849	89,648
Cash at bank and in hand		<u>240,655</u>	<u>139,235</u>
		412,109	303,937
<b>Creditors: amounts falling due within one year</b>	17	<u>(125,321)</u>	<u>(122,902)</u>
<b>Net current assets</b>		<u>286,788</u>	<u>181,035</u>
<b>Net assets</b>		<u>2,157,743</u>	<u>2,019,028</u>
<b>Funds</b>	18		
Unrestricted funds			
General funds		87,523	77,913
Designated funds			
Fixed asset fund		1,870,955	1,837,993
Continuity reserve		100,849	90,000
Restricted funds		<u>98,416</u>	<u>13,122</u>
<b>Total funds</b>		<u>2,157,743</u>	<u>2,019,028</u>

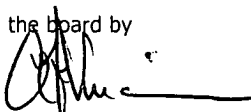
For the year ended 31 December 2013, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. However, an audit is required in accordance with section 144 of the Charities Act 2011.

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.

The financial statements were approved by the board and authorised for issue on 14.12.14 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 2013

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#### 1 Principal accounting policies

##### ***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 the Charities Act 2011 and the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in March 2005.

##### ***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.

##### ***Incoming resources***

No incoming resources have been included in the SOFA net of expenses.

##### ***Donations and voluntary income***

Donations and voluntary income are accounted for when received. 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

##### ***Donated fixed assets***

In accordance with the SORP, assets 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.

##### ***Legacies***

Legacies are brought into account when there is a reasonable degree of certainty as to amounts receivable.

##### ***Grants***

Grants are accounted for on an accruals basis.

##### ***Investment income***

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

##### ***Resources expended***

Expenditure is included on an accruals basis.

##### ***Allocation and apportionment of costs***

Resources expended are allocated to charitable services, charitable support costs and commercial activities where the cost relates directly to that activity. The costs of audit and trustee indemnity insurance are allocated to governance costs.

# LODGE HILL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### **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
Fixtures, fittings and equipment:	
Campsite equipment and outdoor activities	25% per annum
Fixtures and fittings	15% reducing balance
IT suite	25% per annum
Office equipment	25% per annum
Motor vehicles	25% reducing balance

Assets purchased or donated with a cost or estimated value less than £2,000 are not considered for capitalisation.

#### **Stocks**

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

#### **Cash flow**

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1, 'Cash Flow Statements'.

#### **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. Therefore contributions to the scheme are charged to the statement of financial activities as they are incurred.

2	Voluntary income	2013 Unrestricted £	2013 Restricted £	2013 Total £	2012 Total £
	Local Authority Grants	-	81,239	81,239	21,800
	Other grants	-	73,623	73,623	31,082
	Donations - Individuals	3,043	-	3,043	484
	Donations - Trusts	775	93,500	94,275	16,900
	Donations - Schools and Voluntary Groups	-	-	-	8,598
	Donations - Other	550	2,352	2,902	56
		<u>4,368</u>	<u>250,714</u>	<u>255,082</u>	<u>78,920</u>

Included within the voluntary income figures above is an amount of £146,085 (2012: £15,000) in respect of donations for capital projects.



# **LODGE HILL TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>3</b>	<b>Activities for generating funds</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Phone mast income	18,841	-	18,841	18,181
	Rental income	13,901	-	13,901	9,795
	Staff accommodation	3,390	-	3,390	3,390
		<u>36,132</u>	<u>-</u>	<u>36,132</u>	<u>31,366</u>
<b>4</b>	<b>Investment income</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	UK quoted investments	918	-	918	1,346
	UK bank accounts	165	-	165	140
		<u>1,083</u>	<u>-</u>	<u>1,083</u>	<u>1,486</u>
<b>5</b>	<b>Incoming resources from charitable activities</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Bed nights and other charges	361,130	-	361,130	428,190
	Day conferences	41,811	-	41,811	41,750
	Activities	107,461	-	107,461	103,229
	Minibus hire	2,106	-	2,106	1,177
	Campsite hire	11,173	-	11,173	11,784
	Sundry charges	475	-	475	2,688
		<u>524,156</u>	<u>-</u>	<u>524,156</u>	<u>588,818</u>
<b>6</b>	<b>Investment management costs</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Portfolio management	180	-	180	1,085

# **LODGE HILL TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **7 Breakdown of costs of charitable activities**

	2013	2013	2013	2012
	Unrestricted	Restricted	Total	Total
	£	£	£	£
<b>Direct costs</b>				
Wages and salaries	231,676	32,472	264,148	245,816
Staff training and welfare	392	1,073	1,465	1,247
Activities expenses	5,217	5,554	10,771	13,536
Cleaning and laundry	4,620	406	5,026	10,334
Course expenses	5,699	739	6,438	6,300
Domestic services	152,627	16,252	168,879	225,509
Equipment purchased	4,531	1,682	6,213	14,718
Instructors	1,245	8,379	9,624	11,510
Uniform	608	135	743	899
Insurance	14,628	1,449	16,077	18,604
Light and heat	35,002	2,836	37,838	33,770
Motor and travel	1,226	3,322	4,548	2,986
Printing, postage and stationary	2,536	342	2,878	3,455
Rates	13,870	-	13,870	10,469
Repairs and maintenance	27,656	3,334	30,990	30,371
Telephone	3,545	440	3,985	2,713
Sundry expenses	1,072	-	1,072	2,271
	<u>506,150</u>	<u>78,415</u>	<u>584,565</u>	<u>634,508</u>
<b>Depreciation</b>	64,036	-	64,036	65,303
<b>Support costs</b>				
Advertising	1,917	-	1,917	1,939
Legal and professional	4,368	1,401	5,769	4,985
Bank charges	1,138	-	1,138	541
Bad debt	8,050	-	8,050	117
Profit on sale on fixed assets	(222)	-	(222)	-
	<u>15,251</u>	<u>1,401</u>	<u>16,652</u>	<u>7,582</u>
	<u><u>585,437</u></u>	<u><u>79,816</u></u>	<u><u>665,253</u></u>	<u><u>707,393</u></u>

#### **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 Governance costs**

	2013	2012
	£	£
Auditor's remuneration - Audit services	5,950	5,900
Auditor's remuneration - Non Audit services	3,569	1,547
Trustees' indemnity insurance	708	404
	<u>10,227</u>	<u>7,851</u>

# **LODGE HILL TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>10 Deferred income</b>	<b>2013</b>
	<b>£</b>
At the beginning of the year	<b>39,626</b>
Amount released to incoming resources	<b>(39,626)</b>
Amount deferred in the year	<b>43,137</b>
At end of year	<b>43,137</b>

Deferred income comprises of bed night fees £33,092 (2012: £29,375), campsite hire of £4,456 (2012: £3,779), Ecolodge hire of £83 (2012: £566), rents £506 (2012: £906) and grants relating to future activities of £5,000 (2012: £5,000).

### **11 Trustees remuneration and benefits**

Miller Paris Solicitors, a firm in which Mr Martin Troy, a trustee, is a partner were paid £820 (2012: £1,560) for legal services provided by other employees of the partnership during the year. Mr Troy received no payment for his services nor did he claim any expenses.

There were no sums due to Miller Parris at 31 December 2013 (2012: £nil).

The charity paid £708 (2012: £404) for trustees' indemnity insurance.

Apart from this, no trustee received any remuneration or expenses for the years ended 31 December 2013 or 31 December 2012.

<b>12 Staff costs</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>236,007</b>	<b>220,084</b>
Social security costs	<b>18,787</b>	<b>17,575</b>
Pension contributions	<b>9,354</b>	<b>8,157</b>
	<b>264,148</b>	<b>245,816</b>

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

Full and part time staff:	<b>13</b>	<b>13</b>
	<b>13</b>	<b>13</b>

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

# **LODGE HILL TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **13 Tangible fixed assets**

	Freehold property, meeting hall and campsite £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At beginning of year	2,137,826	312,007	5,339	2,455,172
Additions	14,349	82,926	-	97,275
Disposals	-	(4,506)	-	(4,506)
<b>At end of year</b>	<b>2,152,175</b>	<b>390,427</b>	<b>5,339</b>	<b>2,547,941</b>
<b>Depreciation</b>				
At beginning of year	346,547	266,770	3,862	617,179
Charge for the year	50,977	11,581	1,477	64,035
On disposals	-	(4,228)	-	(4,228)
<b>At end of year</b>	<b>397,524</b>	<b>274,123</b>	<b>5,339</b>	<b>676,986</b>
<b>Net book value</b>				
<b>At 31 December 2013</b>	<b>1,754,651</b>	<b>116,304</b>	<b>-</b>	<b>1,870,955</b>
<i>At 31 December 2012</i>	<i>1,791,279</i>	<i>45,237</i>	<i>1,477</i>	<i>1,837,993</i>

#### **14 Investments**

	Shares in group undertakings £	Listed investments £	Cash and settlements pending £	Total £
<b>Market value</b>				
At beginning of year	2	84,882	4,764	89,648
Additions	-	1,221	-	1,221
Disposal proceeds	-	-	(1,221)	(1,221)
Revaluations	-	11,417	(216)	11,201
<b>At end of year</b>	<b>2</b>	<b>97,520</b>	<b>3,327</b>	<b>100,849</b>
<b>Net book value</b>				
<b>At 31 December 2013</b>	<b>2</b>	<b>97,520</b>	<b>3,327</b>	<b>100,849</b>
<i>At 31 December 2012</i>	<i>2</i>	<i>84,882</i>	<i>4,764</i>	<i>89,648</i>

# **LODGE HILL TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

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

	2013	2012
	£	£
Waverton Sterling Bond Fund 'A' Inc £	15,164	-
Waverton Equity Fund 'A' £	69,666	-
JOHIM Alternatives Fund 'A' Inc	12,691	8,575
Morant Wright Japan Fund 'B' £ Acc	-	8,171
Schroder Oriental income Fund plc Ord 1p	-	7,210
Murray International Trust PLC Ord 25p	-	6,707
Black Rock European Dynamic Fund 'D' Acc (Institutional)	-	4,729
Artemis Income Fund Inc	-	12,979
Standard Life UK Equity High Income Fund (Institutional)	-	12,500
Jupiter North American Income Fund	-	6,534
Waverton Global Bond Fund "A" US\$	-	9,126
Mellon Newton Higher Income Fund Inc	-	8,352

Lodge Hill Trusts owns 100% of the issued share capital of Lodge Hill Services Ltd, a dormant company registered in England and Wales. Net assets of this company amount to £2 (2012: £2).

<b>15 Stocks</b>	<b>2013</b>	<b>2012</b>
	£	£
Stock of goods for re-sale	<u>6,918</u>	<u>2,038</u>

<b>16 Debtors</b>	<b>2013</b>	<b>2012</b>
	£	£
Trade debtors	36,544	64,337
Other debtors	19,705	930
Prepayments and accrued income	<u>7,438</u>	<u>7,749</u>
	<u>63,687</u>	<u>73,016</u>

<b>17 Creditors: amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	£	£
Trade creditors	64,789	43,952
Deferred income	43,137	39,626
Other taxes and social security costs	4,832	16,279
Other creditors	<u>12,563</u>	<u>23,045</u>
	<u>125,321</u>	<u>122,902</u>

# **LODGE HILL TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>18 Movement in funds</b>	Balance at 1 January 2013 £	Net incoming/ (outgoing) resources £	Transfers between funds £	Balance at 31 December 2013 £
<b>Unrestricted funds</b>				
General fund	77,913	31,853	(22,243)	<b>87,523</b>
Fixed Asset Fund	1,837,993	(64,036)	96,998	<b>1,870,955</b>
Continuity reserve	90,000		10,849	<b>100,849</b>
	<u>2,005,906</u>	<u>(32,183)</u>	<u>85,604</u>	<u><b>2,059,327</b></u>
<b>Restricted funds</b>				
Campsite disabled facilities	8,122	-	(8,122)	-
Reception refurbishment	5,000	12,500	(3,400)	<b>14,100</b>
Kart track	-	61,233	(52,509)	<b>8,724</b>
Bailey Thomas disability days	-	-	-	-
Radios	-	(128)	128	-
Trail Trikes	-	1,440	(1,440)	-
Trim Trail	-	70,000	(19,981)	<b>50,019</b>
Lodge Hill Challenge and Challenge U	-	25,573	-	<b>25,573</b>
Short Breaks	-	280	(280)	-
	<u>13,122</u>	<u>170,898</u>	<u>(85,604)</u>	<u><b>98,416</b></u>
<b>Total funds</b>	<u><u>2,019,028</u></u>	<u><u>138,715</u></u>	<u><u>-</u></u>	<u><u><b>2,157,743</b></u></u>

Net incoming / (outgoing) resources, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Net incoming/ (outgoing) resources £
<b>Unrestricted funds</b>				
General fund	565,739	(609,339)	11,417	<b>(32,183)</b>
	<u>565,739</u>	<u>(609,339)</u>	<u>11,417</u>	<u><b>(32,183)</b></u>
Reception refurbishment	12,500	-	-	<b>12,500</b>
Kart track	61,233	-	-	<b>61,233</b>
Bailey Thomas disability days	11,000	(11,000)	-	-
Radios	912	(1,040)	-	<b>(128)</b>
Trail Trikes	1,440	-	-	<b>1,440</b>
Trim Trail	70,000	-	-	<b>70,000</b>
Lodge Hill Challenge and Challenge U	88,623	(63,050)	-	<b>25,573</b>
Short Breaks	5,006	(4,726)	-	<b>280</b>
	<u>250,714</u>	<u>(79,816)</u>	<u>-</u>	<u><b>170,898</b></u>
<b>Total funds</b>	<u><u>816,453</u></u>	<u><u>(689,155)</u></u>	<u><u>11,417</u></u>	<u><u><b>138,715</b></u></u>

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

Campsite disabled toilets - funds have been received from the Wolfson Foundation to allow the installation of facilities for disabled people. Lodge Hill Challenge/Activities Employees - funds received from the Henry Smith Foundation and Rank Foundation to cover the costs of the Lodge Hill Challenge and to meet the costs of employing as a member of the activities team a young person who had completed the Lodge Hill Challenge. West Sussex CC has provided funding to subsidise the costs of children attending the centre in 2013, and in respect of the costs of short break activity days held for autistic children and their families.

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.

# LODGE HILL TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 19 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	-	1,870,955	-	1,870,955
Investments	-	100,849	-	100,849
Current assets	212,844	-	98,416	311,260
Current liabilities	(125,321)	-	-	(125,321)
<b>At end of year</b>	<b>87,523</b>	<b>1,971,804</b>	<b>98,416</b>	<b>2,157,743</b>

#### 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 2013 was £9,354 (2012 - £8,517). 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 £1,164 (2012 - £1,116). 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.

## **LODGE HILL TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2013**

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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.

The additional contributions required from Lodge Hill Trust for the year from 1 April 2013 will be £1,365.36 per annum (i.e. £113.78 per month). The amount of additional contributions required from Lodge Hill Trust for the year from 1 April 2014 will be £1,406.32 (i.e. £117.19 per month).

#### **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.