



White Lodge Centre

(a company limited by guarantee)

Report and Financial Statements

Year Ended 31 March 2019

Charity number: 286238

Company number: 1592351

Report of the trustees for the year ended 31 March 2019

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 March 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Reference and administrative details

Charity number: 286238
Company number: 1592351 (England and Wales)
Registered office: Holloway Hill, Lyne, Chertsey, Surrey, KT16 0FA

Our advisors

Auditors: Menzies LLP, Ashcombe House, 5 The Crescent, Leatherhead, Surrey KT22 8DY
Bankers: National Westminster Bank, 1 High Street, Weybridge, Surrey, KT13 8UA

Directors and trustees

The directors of the charitable company, White Lodge Centre ("the charity"), are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year ended were as follows:

Stephen Carrodus	<i>Chair (appointed as trustee 12 June 2018; appointed as Chair 23 July 2019)</i>
David Meller	<i>Treasurer and Secretary</i>
Kathleen Taylor	<i>(resigned as Chair 11 June 2019; resigned as trustee 23 July 2019)</i>
Tim Bevans	
Clive Bolton	<i>(resigned 12 June 2018)</i>
Jean Choules	
Sarah Dade	
Patrick Draycott	<i>(resigned 16 October 2018)</i>
Victoria Jones	<i>(appointed 12 June 2018)</i>
Grant Logan	<i>(resigned 12 June 2018)</i>
Alison Raw	
Jane Stuart-Palikira	<i>(appointed 4 September 2018)</i>
Lisa Walsh	<i>(appointed 16 October 2018)</i>

Key management personnel:

Lesley Robbins	<i>Chief Executive Officer (“CEO”)</i>
Terry Broom	<i>Head of Services</i>
Mike Hey	<i>Head of Fundraising</i>
Carl Sexton	<i>Head of Finance & Support Services (appointed 16 April 2018)</i>

Structure, Governance and Management**Governing Document**

White Lodge Centre is a company limited by guarantee governed by its Memorandum and Articles of Association last amended on 10 January 2017. It is registered as a charity with the Charity Commission.

Appointment of trustees

Trustees are required to have experience in an area of disability or bring professional skills in the broader areas of health, care, education, business or administration. The trustees may appoint a new trustee either to fill a vacancy or as an additional trustee provided that the appointment does not cause the number of trustees to exceed ten. At each Annual General Meeting all trustees retire but, if willing to act, each trustee is reappointed unless the vacancy has been filled or unless a resolution for the reappointment of the trustee is not carried. A person cannot be appointed or reappointed as a trustee unless he or she is recommended by the trustees and has completed not more than five years continuous service for those appointed after 27 August 2013 and ten years continuous service for those appointed before that date. This may be extended where appropriate subject to a resolution being passed at a general meeting.

Trustee induction and training

New trustees receive both an induction course covering all the activities of White Lodge Centre and material detailing all the processes and procedures relevant to the exercise of the function. Before final appointment, the trustee attends a trustee meeting to ensure that neither party has any misgivings. Security checks are undertaken prior to the appointment of any new trustee. Trustees attend external training as they consider appropriate and after which they will share their learning with the other trustees at the next suitable meeting. Two annual away days are organised during which the trustees are updated on topics particularly relevant to the charity’s activities.

Organisation

The board of trustees, which can have not less than four trustees and not more than ten trustees, administers the charity. The board normally meets every six weeks and there are sub-committees covering: Finance; Fundraising; Safeguarding; Health & Safety and

Maintenance; HR, Training & Quality Audit; Children's Services; Adult Services; Trustee Board, Governance and Strategy which meet either quarterly, bi-annually or annually depending on the specific sub-group. The trustees approve the overall strategic plan for the charity each year which is then converted into specific operational plans and annual budgets. The plans are formal reports and their contents are reflected in the annual budget, which the trustees also approve.

A CEO is appointed by the trustees who, along with a senior management team and supporting staff teams, manage the day-to-day operations of the charity. The senior management team comprises the departmental heads for services, fundraising and finance. Progress against both budget and departmental targets is reported at trustee meetings where both the CEO and members of the senior management team report in person on a rotational basis throughout the year.

Related parties and co-operation with other organisations

None of the trustees receive remuneration or other benefit from their work with the charity. Any conflict of interest between a trustee and the charity is required to be disclosed to the full board of trustees. In the current year no such related party transactions were reported.

Pay policy for senior staff

The pay of the senior staff is reviewed annually and changes are made based on factors such as changes in average earnings and the financial position of the charity.

Objectives and Activities

The principal objectives of the charity, as set out in its Memorandum of Association, are 'to promote the care, welfare, interest, treatment, education and advancement (including through the provision of assistance to parents and carers) in the counties of Surrey, Hampshire and Berkshire, and South West London and other surrounding districts of persons with any form of cerebral palsy or other disability'.

Our vision

A world which is inclusive to all, regardless of ability.

Our Mission

We provide services and support that enable those with a range of disabilities, their families and carers to lead fulfilling lives.

The charity's activities listed below are derived directly from this vision and objectives:

Children and Young People

- Therapy and nursery education for young children;
- Treetops, our respite centre for children up to the age of 18;
- Out of school activities for children and young people;
- Specialist toddler group for disabled children and their families;

- Personal support to children within their family home;
- Face to Face - parent support group;
- Clubs for 18-25 year olds;
- Hosting the local Child Assessment Service.

Adult and Community Support

- A resource centre which provides a range of therapies including physiotherapy, hydrotherapy and complementary therapies;
- Leisure and life skills activities;
- Fitness in a specialist gym;
- Moving and handling advice;
- Fully accessible café;
- Supporting and advising families and carers;
- Running a variety of training courses for staff, parents, volunteers and professionals;
- Hosting orthotic, orthopaedic clinics.

The above activities are undertaken daily with some activities outside of normal working hours and all directly support the charity's objectives.

Decisions as to which children and adults would be most suitable to receive the services provided are reasonably and equitably made by the relevant statutory authorities and staff. However, at all times White Lodge Centre retains the ultimate decision as to the children and adults who are to benefit from its services.

Our core values

***E* Encourage**

We encourage and enable people to achieve as rewarding lives as possible.

***N* Nurture**

We provide services in a friendly, caring and supportive environment.

***A* Alliances**

We respect and value each other. We form strong alliances and collaborate with a variety of organisations and individuals to cultivate and strengthen our services and support.

***B* Believe**

We believe in being open and honest, working with integrity at all times to earn vital trust from the families, carers and individuals we support.

***L* Listen**

By listening we constantly adapt, diversify and evolve our services and environments to best meet the needs of our service users, their family and carers.

***E* Excellence**

We continually strive for excellence in all that we do through expertise, experience and professionalism of our team and support network.

The specific strategies used to fulfil the charity's objectives are:

- To deliver appropriate high quality, cost effective services to benefit people's physical, social and emotional well-being;
- To actively involve service users to tell us what they want;
- To ensure White Lodge Centre stays at the forefront of its field by continually developing our staff and volunteers;
- To share our knowledge and skills by informing others;
- To work with and support community groups so that local people understand who we are and what we do;
- To work in partnership with other voluntary, statutory and business organisations, service users, parents and carers;
- To ensure disabled children, young people and adults, families and carers feel supported in the services we offer;
- To offer a wide range of services and activities to disabled adults which meet their expectations;
- To ensure disabled children and young people flourish and achieve their potential;
- To ensure all staff and volunteers are trained to meet the needs of the organisation;
- To ensure high quality services and safety is achieved across the organisation;
- To provide a welcoming, friendly and accessible environment;
- To maintain financial stability and a healthy cash flow;
- To promote White Lodge Centre to the wider community.

In the year ended 31 March 2019, the charity had the following specific aims:

- Ongoing hydrotherapy pool refurbishment project: specifying, collating costs and seeking funding
- Refurbish our flooring in the Pathways building
- Increase the number of children using our nursery
- Modernise our Brand
- Upgrade our website
- Further develop our play schemes

Use of indicators, benchmarks and milestones by trustees to monitor the progress of the activities

The trustees principally use both the standard financial indicators to monitor progress and the reporting system referred to in 'Organisation' on pages 2 and 3 of this report. Management use budgets and targets at departmental level, which are included in the annual service report, and fundraising reports. The trustees review the reports and the departmental work at their meetings but they do not set these detailed measures. Members of the management team take part in several 'collective' meetings, where the organisation is able to share information about specific parts of the service and make comparisons on cost and quality. The charity ensures that its standards continue to be

very high through the quality assessments provided by independent bodies, those bodies contracting the services and by regular internal quality audits. In the section entitled 'Achievements and Performance' below, the trustees approve these objectives and monitor their progress and, with the management team, set and approve the future objectives, both short, medium and long term, as set out under 'Plans for future periods'.

Public benefit

The trustees confirm that they have referred to the appropriate guidance on Public Benefit issued by the Charity Commission when reviewing White Lodge Centre's aims and objectives and in the planning of future activities as described in this report. A substantial percentage of White Lodge Centre's funding is received from statutory bodies and is designed to assist disabled children and adults in the local communities it serves.

Strategic Report

Achievements and Performance

White Lodge has had another busy year, sustaining and developing further our service delivery to reach both our local and wider community.

One of our strategic aims over the last 3 years has been 'To ensure our infrastructure supports our service delivery and that our buildings are maximised in use for service delivery'. To achieve this in 18/19 we have:

- Created a new 18- 25-year-old den called Pulse at Rendezvous, this was supported by one of our Corporate partnerships. This has enabled us to launch our new mid-week 18 – 25 year old club with the aim of 10 young people attending every day.
- We have upgraded a second nursery room with the backing of a Corporate partner, enabling us to support more young children and create a further learning space.

We are actively seeking funding for both our Hydrotherapy pool and Pathways flooring project and feel confident this will be achieved in the not too distant future.

We were delighted to launch our new 4-12-year-old Sunday club out in the community, within two hours of this club being launched all the spaces were taken, we then extended the numbers to ensure we could support as many children as possible.

As an organisation, we offered more opportunities to our service users and partners in a variety of ways;

- A user friendly pantomime at Christmas for the young people who enjoy our services.
- A Singing Hands event that was attended by 150 children, young people and parents.
- A Dyskinesia Study Day for professionals run by our Paediatric Therapy team which was well supported.

- Various workshops to support parents.

Our new Brand was launched in early January and this will be supported by our new website that will go live in the next few weeks. The new Brand puts emphasis on enabling ability which is at the heart of what we strive to achieve.

White Lodge high standards continue to be recognised, OFSTED awarded Treetops a good at their inspection and Customer Service Excellence awarded White Lodge 3 compliant plus's for Customer Insight, Improved Customer Journey and Staff Understand Customer Needs.

We are delighted to welcome Sophia Warner as a Patron. Sophia who herself came to White Lodge as a child is a retired Paralympian and has been instrumental in developing the Super Hero Tri.

We are always extremely grateful to all our Patrons, Trusts, Corporates, Statutory bodies and the numerous individuals who have supported us, donated money and attended our events. It is due to this support and our wonderful dedicated staff team and volunteers, that we are able to continue to deliver first class services that benefit children, young people, adults, parents and carers. The enthusiasm and commitment shown by so many enhance the experience for all those who use White Lodge. To all of you we say a huge 'Thank you' we could not do it without you.

Financial Review

The Statement of Financial Activities ('SOFA') for the year ended 31 March 2019 shows incoming resources of £2,627,000 3% up on last year's £2,552,000 and resources expended of £2,709,000 3% higher than last year's £2,623,000, leading to an overall net deficit of £82,000 (2018: net deficit of £71,000).

The 2019 net income before depreciation was £78,000 (2018: net income before depreciation of £92,000) which is a key financial metric monitored by the trustees with the objective of a positive balance for each year. The reason for the exclusion of depreciation is that capital expenditure is largely funded by discrete fundraising activities rather than through on-going operations.

In considering our two principal service areas of children and adults the following results were achieved:

	<u>Children and Young People</u>		<u>Adults</u>	
	2018/19	2017/18	2018/19	2017/18
	£'000s	£'000s	£'000s	£'000s
Income	1,605	1,561	429	393
Expenditure	(1,778)	(1,735)	(651)	(613)
Deficit before fundraising	(173)	(174)	(222)	(220)

The increase in incoming resources of £75,000 primarily relates to an increase of £80,000 in income from charitable activities of which £44,000 is in children and young people services and £36,000 is in adult services. The increase in children and young people services was primarily due to increased provision of one to one care at the Treetops facility for short breaks. The increase in adult services income was primarily due to the provision of more hours of adult therapy and the commencement in May 2018 of "Pulse", a new drop in club for 18-25 year olds. Pricing remained relatively flat versus the previous year.

The fundraising team managed the generation of funds totaling £592,000 (2018: £597,000). The fundraising team was set a target of £535,000 for 2018/19 (2017/18: £500,000) to be raised in support of normal annual operating costs and excluding reserved donations raised for specific equipment purchasing. Against this target it achieved income of £562,000 (2017/18: £523,000). We remain very grateful to all our donors for their generosity without which the centre would be unable to continue.

The increase in resources expended of £86,000 was due to an £80,000 increase in the cost of providing charitable activities and an increase of £6,000 in fundraising costs. The increase in the cost of charitable activities primarily relates to the increased staffing required at the Treetops short breaks facility to support the increase in one to one care provision. Fundraising costs include £14,000 from an original budget of £27,000 with respect to the development of a new website and branding. These costs are therefore non-recurring with the exception that the balance of this budget will be expended in 2019/20.

The Balance Sheet shows total assets less current liabilities of £5,985,000 compared to £6,067,000 in 2018. The reduction in reserves is due to the depreciation of £160,000 of the tangible fixed assets used by the charity, partially offset by the net income before depreciation of £78,000. Debtors reflect the timing of receipts of payments for services together with donations.

The cash position strengthened with cash at bank increasing to £396,000 compared to £325,000 (cash at bank and short term deposits) in 2018. The primary reason for the increase is the improved surplus for the year before depreciation. This facilitated further investment in capital equipment at a cost of £20,000 to enhance the Centre's facilities and

service provision. The level of cash resources is considered adequate for the on-going activity of the centre in light of the inherent uncertainty associated with fundraising and income from statutory bodies. During 2019/20 the level of cash resources is expected to fully align with the trustees' plan to keep in place freely available reserves of £400,000.

Reserves policy and going concern

Note 12 to the financial statements sets out the allocation of the net assets to the various funds. The unrestricted reserves amounted to £999,000 at 31 March 2019 of which freely available reserves, equivalent to unrestricted net current assets as defined in the Charity Commissioners publication *Charities' Reserves* (CC19), amounted to £386,000 (2018: £330,000).

The freely available reserves of £386,000 represent internal funds that need to be held for shortfalls in revenue or unexpected costs. The trustees consider that freely available reserves of £400,000 would normally be required. The 2019/20 budget has been set in order to generate a £50,000 increase in freely available reserves as part of a plan to return to the £400,000 without a significant adverse impact on services.

Our restricted reserves principally cover the investments made over the years in our land and buildings.

We aim to have many of our services operating at full cost recovery in the future. The risk of inflation, inherent in our costs, will always require our attention and containment. The sustainable growth in our services will also need us to raise more funds each year.

Tangible fixed assets

Any movements in fixed assets are shown in Note 8 to the financial statements. A substantial part of the book value of freehold and leasehold premises is represented by the cost of the relatively new buildings. Overall, and having regard to the specific use of the buildings, the trustees consider that the value of the freehold and leasehold premises is fairly stated.

Investments Policy

All our surplus funds are invested between Nationwide, Santander and NatWest instant access accounts. The trustees believe that this is the best strategy to safeguard the necessity of ensuring our activities each year are fully funded and ensures that any short term shortfall in our fundraising activities does not have immediate repercussions due to the ease of access to the funds.

Plans for future periods

The major objectives for the coming year are:

- Ongoing hydrotherapy pool refurbishment project: specifying, collating costs and seeking funding
- Refurbish our flooring in the Pathways building once funding is in place
- Implementation of our new brand and website
- Further develop 18-25 year old provision

- Maximise further development of adult services

Fundraising Statement

We directly employ a small fundraising team to organise our fundraising campaigns and events and also to co-ordinate the activities of our supporters and volunteers. We do not use professional fundraisers or involve commercial participators to solicit donations and have no plans in the future to do so. There have been no complaints about fundraising activity this year.

We are registered with the Fundraising Regulator and take all appropriate review and training activities necessary to ensure that we comply with the Fundraising Regulator's Code of Fundraising Practice.

To protect our supporters from unwanted intrusion we only retain personal data if this has been approved by the respective person. We do not sell or pass on our supporters' personal data and we have never purchased fundraising data from a third party. We usually only undertake direct marketing on a twice yearly basis with the distribution of our Centre Voice magazine.

Principal risks and uncertainties

The trustees consider that the principal challenges faced by White Lodge Centre, and the risks associated therewith, are the need to:

- continue to provide a high quality service;
- operate within budgets;
- cover the excess of costs over statutory and other service income by raising sufficient voluntary income.

The trustees and management have conducted a review of the major risks to which White Lodge Centre is exposed arising from the above challenges. Detailed procedures are in place to mitigate these risks and they are assessed under the headings of governance and management risk, operational risk, financial risk and compliance risk. The information outlined below is designed to provide the information needed to monitor these challenges, contain the risks, and take any necessary corrective action.

At the regular six weekly meetings, the trustees receive and consider:

- presentations, on a rotational basis, from key management personnel;
- a report from the CEO of the Centre, which deals with matters arising during the past six weeks;
- a report from the Treasurer, which reports on the voluntary income position and advises of any significant variations from the expense and revenue budgets;
- a report on health and safety issues;
- particulars of any other matters that are relevant to their duties, for example:

- presentations from the professional advisers (architects and quantity surveyors) on building issues;
- presentations from the insurance brokers on insurance coverage;
- review of physical security issues;
- feedback from user surveys of the quality of service provided by White Lodge Centre.

The trustees also annually evaluate their performance both as individuals and as a Board.

The trustees consider that the information they receive, the internal control systems that are established and the action the trustees take all combine to enable them to confirm that the major risks to which the charity is exposed are reviewed annually and systems are in place to mitigate those risks.

Trustees' Responsibilities

The charity trustees (who are also the directors of the White Lodge Centre for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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 that period. In preparing the 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 (FRS102);
- 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of disclosure of information to the Auditor

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the company's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the company's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Strategic Report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Strategic Report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board of Trustees (which is also the Board of Directors) on 3 September 2019 and signed on its behalf by David Meller (Trustee).

By order of the board of trustees

David Meller

3 September 2019

Independent auditor's report to the members of White Lodge Centre

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information

and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Malcolm Lucas (Senior Statutory Auditor)
For and on behalf of Menzies LLP
Statutory Auditor

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT13 8UA

10th September 2019

Statement of Financial Activities (including income and expenditure account) for the year ended 31 March 2019

		<i>Unrestricted funds 2019 £000s</i>	<i>Restricted funds 2019 £000s</i>	<i>Total 2019 £000s</i>	<i>Total 2018 £000s</i>
	<i>Note</i>				
Incoming resources:					
<i>Incoming resources from generated funds</i>					
Donations and Legacies	2	395	173	568	423
Other trading activities		24	-	24	174
Income from Investments		1	-	1	1
<i>Income from charitable activities</i>	3	1,769	265	2,034	1,954
		<hr/>	<hr/>	<hr/>	<hr/>
Total income and endowments		2,189	438	2,627	2,552
		<hr/>	<hr/>	<hr/>	<hr/>
Resources expended:					
	4				
Expenditure on Raising Funds		236	-	236	230
Expenditure on Charitable activities		1,916	557	2,473	2,393
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		2,152	557	2,709	2,623
		<hr/>	<hr/>	<hr/>	<hr/>
Net outgoing resources, net expenditure for the year and net movements in funds		37	(119)	(82)	(71)
		<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of funds:					
Total funds b/f		962	5,105	6,067	6,138
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds c/f		999	4,986	5,985	6,067
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All of the above results for the years ended 31 March 2019 and 31 March 2018 are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 19 to 30 form part of these financial statements.

Balance Sheet as at 31 March 2019

	<i>Note</i>	<i>2019</i>	<i>2018</i>
		<i>£000s</i>	<i>£000s</i>
Fixed assets			
Tangible assets	8	5,568	5,708
		<u>5,568</u>	<u>5,708</u>
Current assets			
Stocks		1	2
Debtors	9	184	161
Short term deposit		-	102
Cash at bank and in hand		396	223
		<u>581</u>	<u>488</u>
Less: Liabilities			
Amounts falling due within one year	10	(164)	(129)
Net current assets		417	359
Total assets less current liabilities		<u>5,985</u>	<u>6,067</u>
Unrestricted Funds			
General fund	11/12	415	361
Building fund	11/12	584	601
Total Unrestricted funds		<u>999</u>	<u>962</u>
Restricted Funds	11/12	4,986	5,105
		<u>5,985</u>	<u>6,067</u>

The notes on pages 19 to 30 form part of these financial statements.

The trustees, who are also the directors of the Company, authorised for issue on 3 September 2019, and signed on their behalf by, approved the financial statements:

Stephen Carrodus *Chair*

David Meller *Treasurer*

Registered company number: 1592351

Statement of Cash Flows for the year ended 31 March 2019

	Note	2019 £000s	2018 £000s
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	(a)	90	88
Cash flows from investing activities			
Dividends and interest from investments		1	1
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(20)	(64)
Net cash provided by / (used in) investing activities		(19)	(63)
Change in cash and cash equivalents in the reporting period		71	25
Cash and cash equivalents at the beginning of the reporting period	(b)	325	300
Cash and cash equivalents at the end of the reporting period	(b)	396	325

Notes**(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities**

Net income / (expenditure) for the reporting period (as per Statement of Financial Activities)	(82)	(71)
<u>Adjustments for:</u>		
Depreciation charges	160	163
Dividends and interest from investments	(1)	(1)
Loss/(profit) on sale of fixed assets	-	-
(Increase) / Decrease in stocks	1	-
(Increase) / Decrease in debtors	(23)	11
Increase / (Decrease) in creditors	35	(14)
Net cash provided by / (used in) operating activities	90	88

(b) Analysis of cash and cash equivalents

	2019 £000s	2018 £000s
Cash in hand	396	223
Short term deposits	-	102
Total cash and cash equivalents	396	325

Notes forming part of the financial statements for the year ended 31 March 2019

1 Accounting policies

White Lodge Centre is a charitable company limited by guarantee and is incorporated in England and Wales. Details of the of the company's registered office and principal activities are set out in the Report of the Trustees.

The following are the accounting policies adopted by White Lodge Centre.

a) Basis of accounting

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

The charity meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling, which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Fund accounting

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objective of the charity.

Designated funds are a particular form of unrestricted funds consisting of amounts which have been allocated or designated for specific purposes by trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of restricted funds are set out in the notes to the accounts. Amounts unspent at the year-end are carried forward in the balance sheet

c) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gifts in kind are included at valuation. No amounts are included in the financial statements for services donated by volunteers. Amounts donated for the acquisition of fixed assets are treated as income, in accordance with the requirements of the SORP, and the relevant expenditure is capitalised.

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of the resources, primarily by reference to areas occupied or numbers of staff, depending on the nature of the cost.

Fundraising costs are those costs incurred in seeking voluntary contributions.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Allocation of support costs are determined by estimated time spent by direct personnel in the supporting of each activity and all other central costs are allocated on the basis of total indirect personnel salaries.

Governance costs are those costs relating specifically to the charity, as distinct from the service provided by the charity, and include the costs of compliance with constitutional and statutory requirements.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and included at cost.

The buildings are situated on land that is both leasehold and freehold. All costs relating to these buildings, including the substantial rebuilding expenditure of recent years, has been allocated accordingly. All building expenditure, for both leasehold and freehold premises, is depreciated in equal annual amounts over the remaining period of the lease of the leasehold premises, which is until 24 December 2062. The expenditure on freehold premises is depreciated on the same basis as that for leasehold premises, as the freehold premises would not operate independently of the leasehold premises. The other fixed assets are written off over their expected useful lives at the following annual rates:

Hydrotherapy pool 4% on cost

Equipment	10%	on cost
Computers	25%	on cost
Motor vehicles	25%	on reducing net book value

f) Impairment of fixed assets

The charity reviews the carrying amount of its tangible and intangible assets at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

g) Stock

Stock consists of purchased goods for resale, and is valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

h) Going concern

At the time of approving the financial statements, the trustees have reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

i) Cash at bank and in hand

Cash at bank and cash 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.

j) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

l) Judgements and key sources of estimation uncertainty

In application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The main accounting estimate for the charity is depreciation.

m) Legal status

White Lodge Centre is a private company limited by guarantee without share capital, incorporated in England and Wales.

n) Pension contribution

The charity makes a contribution into defined contribution pension schemes on behalf of some employees. The assets of the scheme are held separately from those of the charity in independently administered funds. The amount charged to The Statement of Financial Activities in respect of pension costs is the total contributions payable for the year.

o) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Voluntary income

	<i>2019</i>	<i>2018</i>
	<i>£000s</i>	<i>£000s</i>
Charitable foundations	61	65
Other donors	308	206
Legacies	56	63
Revenue funding	143	89
	<u>568</u>	<u>423</u>

Voluntary income was £568,000 of which £173,000 (2018: £163,000) was restricted and £395,000 (2018 £260,000) was unrestricted.

3 Incoming resources from charitable activities

	<i>Statutory</i>	<i>Other</i>	<i>Total</i>	<i>Total</i>
	<i>bodies</i>	<i>sources</i>	<i>2019</i>	<i>2018</i>
	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>
Childrens' services	1,388	217	1,605	1,561
Adults' services	239	190	429	393
	<u>1,627</u>	<u>407</u>	<u>2,034</u>	<u>1,954</u>
	<u><u>1,627</u></u>	<u><u>407</u></u>	<u><u>2,034</u></u>	<u><u>1,954</u></u>
2018	<u>1,596</u>	<u>358</u>	<u>1,954</u>	

Incoming resources from charitable activities was £2,034,000 (2018: £1,954,000) of which £265,000 (2018: £270,000) was restricted and £1,769,000 (2018: £1,684,000) was unrestricted. As detailed in note 15, 2018 has been restated to reduce restricted income and to increase unrestricted income by £1,360,000.

4 Expenditure on Charitable Activities

	<i>Direct costs £000s</i>	<i>Support costs £000s</i>	<i>Total 2019 £000s</i>	<i>Total 2018 £000s</i>
Cost of generating voluntary income	212	19	231	178
Fundraising trading	5	-	5	52
Charitable activities:				
Childrens' services	1,596	182	1,778	1,735
Adults' services	602	49	651	613
Governance costs	40	4	44	45
Total resources expended	<u>2,455</u>	<u>254</u>	<u>2,709</u>	<u>2,623</u>
The above costs comprise:				
Fundraising trading	5	-	5	52
Staff costs:				
Salaries	1,787	111	1,898	1,771
Social security costs	115	8	123	116
Other staff costs	85	2	87	72
Depreciation	97	63	160	163
Other costs	366	70	436	449
	<u>2,455</u>	<u>254</u>	<u>2,709</u>	<u>2,623</u>

Expenditure on charitable activities was £2,473,000 (2018: £2,393,000) of which £557,000 (2018: £513,000) was restricted and £1,916,000 (2018: £1,880,000) was unrestricted. As detailed in note 15, 2018 has been restated to reduce restricted expenditure and to increase unrestricted expenditure by £1,360,000.

5 Governance Costs

	<i>Total 2019 £000s</i>	<i>Total 2018 £000s</i>
Audit fee	9	10
Salaries/NIC	19	18
Other costs	12	12
Support costs	4	5
	<u>44</u>	<u>45</u>

6 Additional staff information

The average number of employees, based on both total head count (“Total”) and on a full time equivalent (“FTE”) basis, analysed by function was:

	2019 Total	2018 Total	2019 FTE	2018 FTE
Charitable activities	218	210	65	62
Support for those services	11	9	6	7
Generating voluntary income and governance	11	11	7	7
	<u>240</u>	<u>230</u>	<u>78</u>	<u>76</u>

	2019 £000s	2018 £000s
Staff costs for the above persons		
Wages and salaries	1,898	1,771
Social security costs	123	116
Pension costs	35	19
Other staff costs	52	53
	<u>2,108</u>	<u>1,959</u>

No employee earned £60,000 or more. The remuneration for key personnel was £188,604 (2017/18 £ 170,795)

7 Trustees

The trustees are not employed by the charity. The trustees neither received nor waived any emoluments during the year and were not reimbursed for their expenses (2018: *£nil*).

8 Tangible fixed assets

	<i>Freehold premises £000s</i>	<i>Short Leasehold premises £000s</i>	<i>Equipment £000s</i>	<i>Motor vehicles £000s</i>	<i>Total £000s</i>
Cost					
At 1 April 2018	4,143	3,312	437	137	8,029
Additions	-	-	20	-	20
Reclassifications	-	-	-	-	-
At 31 March 2019	<u>4,143</u>	<u>3,312</u>	<u>457</u>	<u>137</u>	<u>8,049</u>
Depreciation					
At 1 April 2018	823	1,057	318	123	2,321
Charge for year	74	54	29	3	160
Reclassifications	-	-	-	-	-
At 31 March 2019	<u>897</u>	<u>1,111</u>	<u>347</u>	<u>126</u>	<u>2,481</u>
Net book values					
31 March 2019	<u>3,246</u>	<u>2,201</u>	<u>110</u>	<u>11</u>	<u>5,568</u>
<i>31 March 2018</i>	<u><u>3,320</u></u>	<u><u>2,255</u></u>	<u><u>119</u></u>	<u><u>14</u></u>	<u><u>5,708</u></u>

Short leasehold property relates to the cost of buildings standing on leasehold land with a lease that expires on 23rd October 2062.

9 Debtors

	<i>2019 £000s</i>	<i>2018 £000s</i>
Amounts due within one year:		
Amounts due for services	107	103
Other debtors	24	24
Prepayments	<u>53</u>	<u>34</u>
	<u>184</u>	<u>161</u>

10 Creditors

	2019 £000s	2018 £000s
Amounts due within one year:		
Amounts payable	29	32
Payroll taxes, pensions and social security	33	33
Accruals and deferred income	102	64
	<u>164</u>	<u>129</u>

Accruals and deferred income includes deferred income of £33,000 (2018: £19,000) relating to both charitable services and fundraising events undertaken after 31 March but that have been either paid for or invoiced in advance of 31 March.

	2019 £000s	2018 £000s
Movement in deferred income:		
Amounts b/fwd	19	8
Income deferred in current period	33	19
Income released from previous periods	(19)	(8)
Amounts c/fwd	<u>33</u>	<u>19</u>

11 Total income funds

<i>_Current Year</i>	<i>1 April 2018 £000s</i>	<i>Incoming resources £000s</i>	<i>Resources expended £000s</i>	<i>31 March 2019 £000s</i>
Restricted income funds				
Pathways (Children Centre)	1,949	-	44	1,905
Treetops (Respite Centre)	1,248	-	28	1,220
Rendezvous (Adult Centre)	1,778	-	40	1,738
Motor vehicles (minibuses)	13	-	3	10
Equipment	107	30	29	108
MASC	10	-	5	5
Health grant	-	265	265	-
Other revenue funding	-	143	143	-
	<u>5,105</u>	<u>438</u>	<u>557</u>	<u>4,986</u>
Unrestricted income funds				
Building fund	601	-	17	584
General funds	361	2,189	2,135	415
	<u>962</u>	<u>2,189</u>	<u>2,152</u>	<u>999</u>
Total funds	<u>6,067</u>	<u>2,627</u>	<u>2,709</u>	<u>5,985</u>

11 Total income funds (continued)

<i>Prior Year</i>	<i>1 April 2017</i>	<i>Incoming resources Restated</i>	<i>Resources expended Restated</i>	<i>31 March 2018</i>
	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>
Restricted income funds				
Pathways (Children Centre)	1,992	-	43	1,949
Treetops (Respite Centre)	1,275	-	27	1,248
Rendezvous (Adult Centre)	1,818	-	40	1,778
Motor vehicles (minibuses)	17	-	4	13
Equipment	67	74	34	107
MASC	16	-	6	10
Social services grant	-	-	-	-
Health grant	-	270	270	-
Education grant	-	-	-	-
Partnership funding: Back care	-	-	-	-
Other revenue funding	-	89	89	-
	<u>5,185</u>	<u>433</u>	<u>513</u>	<u>5,105</u>
Unrestricted income funds				
Building fund	617	-	16	601
General funds	<u>336</u>	<u>2,119</u>	<u>2,094</u>	<u>361</u>
	<u>953</u>	<u>2,119</u>	<u>2,110</u>	<u>962</u>
Total funds	<u><u>6,138</u></u>	<u><u>2,552</u></u>	<u><u>2,623</u></u>	<u><u>6,067</u></u>

Pathways, Treetops and Rendezvous funds are Capital Appeal funds that were raised for the purposes of major rebuild projects over the past twenty years. Ongoing resource expended relates to the depreciation of the capital cost of these projects.

The motor vehicles fund results from the donation, as gifts in kind, of minibuses.

Equipment fund relates to donations where the donor has requested that specified equipment is acquired out of the donation.

MASC fund relates to restricted donations received when the Millennium After School Club charity transferred all residual cash balances to White Lodge Centre.

Health grants are statutory grants renewed annually in respect of the activities in furtherance of charity's objectives.

Building fund: relates to the unrestricted element of the property to allow clear representation of the unrestricted funds position.

12 Net assets of funds

<i>Current Year</i>	<i>Fixed assets £000s</i>	<i>Net current assets £000s</i>	<i>Total £000s</i>
Restricted income funds			
Buildings (completed)	1,905	-	1,905
Treetops	1,220	-	1,220
New Adult Centre (Rendezvous)	1,738	-	1,738
Motor vehicles (minibuses)	10	-	10
Equipment	82	26	108
MASC	-	5	5
Revenue	-	-	-
	<u>4,955</u>	<u>31</u>	<u>4,986</u>
Unrestricted income funds			
Building fund	584	-	584
General funds	29	386	415
	<u>613</u>	<u>386</u>	<u>999</u>
Total funds at 31st March 2019	<u><u>5,568</u></u>	<u><u>417</u></u>	<u><u>5,985</u></u>
<i>Prior Year</i>	<i>Fixed assets Restated £000s</i>	<i>Net current assets Restated £000s</i>	<i>Total Restated £000s</i>
Restricted income funds			
Buildings (completed)	1,949	-	1,949
Treetops	1,248	-	1,248
New Adult Centre (Rendezvous)	1,778	-	1,778
Motor vehicles (minibuses)	13	-	13
Equipment	88	19	107
MASC	-	10	10
Revenue	-	-	-
	<u>5,076</u>	<u>29</u>	<u>5,105</u>
Unrestricted income funds			
Building fund	601	-	601
General funds	31	330	361
	<u>632</u>	<u>330</u>	<u>962</u>
Total funds at 31st March 2018	<u><u>5,708</u></u>	<u><u>359</u></u>	<u><u>6,067</u></u>

13 Capital commitments

Capital expenditure authorised but not provided in the financial statements was £nil (2018: £nil).

14 Related party transactions

Children of trustees can receive services at White Lodge Centre funded by statutory authorities who refer them to White Lodge Centre to receive their care package.

15 Restatement of Prior Year's Figures

In previous years the charity has classified social services income, educational income and Partnership funding for back care as restricted income. On review of the contracts for this income it has been determined that the correct presentation for it, in accordance with the Charities SORP (FRS 102) is as unrestricted income as any surplus that arises after the provision of the respective associated service is not restricted and can be used as and where the charity deems necessary.

The prior year note for income funds has accordingly been restated to reflect this change, reducing restricted income and expenditure relating to charitable activities by £1,360,000 and increasing unrestricted income and expenditure relating to charitable activities by £1,360,000.

Acknowledgements

We acknowledge and thank the many organisations and people who help us in our daily running of the charity through their very generous donations, both those who prefer to remain anonymous and those listed below:

1. The Walton Charity
Donated £6,000 in 2018/19 towards the Elmbridge play, youth and weekend schemes. This was the first payment element of a three year grant which will total £36,000.
2. Barbara Ward Children's Foundation
Donated £10,000 in 2018/19 and £10,000 in 2017/18 as elements of a 3 year grant to fund the running costs of our 3 sensory rooms for children and teenagers up to the age of 18.
3. St Faith's Trust
Donated £10,000 in 2018/19 and £10,000 in 2017/18 as elements of a 3 year grant for intensive support for disabled children aged 2-5 years.
4. BBC Children in Need
Donated £30,000 in 2018/19 and £30,000 in 2017/18 for 4-18 play and youth schemes.
5. Masonic Charitable Foundation
Donated £25,000 in 2017/18 to support Nursery funding towards 2 staff members to help provide crucial specialist support.
6. The Community Foundation for Surrey
Donated £5,000 in 2018/19 to support running costs for our hydrotherapy pool; donated £4,674 in 2017/18 to support our Elmbridge and Spelthorne youth schemes; donated £4,853 in 2017/18 to support children's therapy provision.
7. Garfield Weston Foundation
Donated £40,000 in 2018/19 to help cover core organisational costs for a two year period.
8. Heathrow Community Fund
Donated £12,500 in 2018/19 to help support staffing costs for our new 18-25 year old day service, this being the first part of a £25,000 grant.

For all the donations, we are extremely grateful.