



Company Number 1158819
Registered Charity Number 267043

INTERCHANGE TRUST
(A company limited by guarantee)

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

For the year to
30th September 2012



Interchange Trust - consolidated
Trustees Report
For the year to 30th September 2012

The Trustees are pleased to present their report together with the financial statements of the charity for the year to 30th September 2012

Reference and administrative details

Interchange Trust is a company and a charity. In this report we refer to it as 'the charity'.

Charity number	267043
Company number	1158819
Principal & registered Office	Hampstead Town Hall 213 Haverstock Hill London NW3 4QP
Auditors	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
Bankers	Co-operative Bank Plc Islington Branch Islington High Street London N1 9TR

Trustees

The directors of the charitable company (the charity) are its Trustees (the Trust) for the purpose of charity law and throughout this report are collectively referred to as Trustees. They are also the members of the organisation.

Trustees and management serving during the period and since the year end

Chair	Elizabeth Cleaver (from 12/07/2012) Stephen Dias (previous acting chair)
Elected trustees	Elizabeth Cleaver (appointed 12/07/2012) Stephen Dias Brian Fagan Kimberley Kadour Patricia Orwell Ellen Schmidt Andrew Shaw (appointed 8/06/2012) John Shepperd Patricia Whitehouse Douglas Gilmore (resigned 19/12/2012) Claire Vivyan (resigned 19/12/2012) I Yass (resigned 18/10/2012) Ian Douglas (resigned 13/04/2012) Malcolm Roberts (resigned 18/11/2011)
Chief Executive	Celia Greenwood
Company Secretary	Ken Shoults FCA

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Structure, Governance and Management

Governing Document

Interchange Trust is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission. The members of the Charity are the elected Trustees of which there were 12 serving at the period end and each of these agrees to contribute £10 in the event of a winding up.

Appointment of Trustees

The Chair is elected collectively by the sitting Board of Trustees. All Trustees are elected as the members and directors (co-terminus) of the charity. At each annual general meeting one-third, or the number nearest to one third, of the Trustees who have been longest in office since their last appointment must retire from office. As a multi-functional/multi-disciplinary charity, spanning the education, social welfare, arts and health sectors, the Board attaches great importance to the specialist skills of Trustees.

All Trustees are circulated invitations to nominate new Trustees prior to the AGM, and notice given advising them of retiring Trustees and requesting nominations at the AGM.

The Observer Nominee, post currently unoccupied, is appointed by the London Borough of Camden, is subject to the appointment processes of those bodies and the guidelines on appointment to public office as they apply to Local Government nominees.

Trustee Induction & Training

New Trustees undergo an orientation interview with the Chair and a briefing with the Chief Executive. An induction pack is presented, including copies of the Memorandum and Articles of Association, Committee Standing Orders and decision making processes, chart of the line management structure, business plan and recent financial performance of the charity.

There is an induction to meet key employees, department managers, and other Trustees. The Trustees regularly conduct a skills audit to identify gaps, if any, with a view to considering the potential for recruiting new Trustee(s) to fill a specialist/professional role.

Organisation

The Board of Trustees administers the charity. The Board meets quarterly as does its decision making Finance Sub-Committee. There are other advisory committees/forums eg the Senior Management Team, the Departmental Managers, etc which have terms of reference (approved by the Board of Trustees) and meet regularly.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation outlined in their job description approved by Trustees, for operational matters including finance, contracts, fundraising scrutiny, recruitment/employment, marketing and performance related activity.

Related Parties – Hamden Trust

The charity has a relationship with its sister charity The Hamden Trust (which has a co-terminus Board) established on 30 March 1995, at the behest of the Lottery Boards to allow for "the purchase and restoration of the Hampstead Town Hall as a home for Interchange". Though The Hamden Trust shares Interchange's passion for education and supporting disadvantaged vulnerable groups (young people, disabled children, pensioners etc) it has a major role to raise and expend mainly capital funds on the development and conservation of this historical listed building.

Risk Management

The Trustees have a risk management strategy which comprises

- o An annual review of the risks the charity may face
- o The establishment of systems and procedures to mitigate those risks identified in the plan, and
- o The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

This work has identified only a few minor new risks but it has resulted in better emergency procedures and contingency plans. Particular attention is always focussed on non financial risks arising from fire, health and safety and child protection issues. A key element in the management of financial risk is the setting of a reserves policy and its regular review by Trustees.

In reviewing financial risk the Board of Trustees have, on the advice of auditors, strengthened the level of legal scrutiny over our business procedures by the Chief Executive, with an annual review by the Chair.

Objectives & Activities

The objectives of the charity are

- A To promote, maintain, improve and advance public education, particularly by the promotion of educational drama and other fine arts, especially those activities which seek to make the arts relevant to the community, including drama, mime, dramatic improvisation, literature, dance, singing and music, and to formulate, prepare and establish schemes and activities
- B For the public benefit, in the interests of social welfare to provide, or assist in the provision of, facilities for recreation or other leisure-time and non-leisure time activities with the object of improving the lives of those who need them because they are young, older, infirm, disabled, poor or socially and/or economically disadvantaged, and the facilities will be available to the members of the public at large
- C To provide support and services to charities and other organisations to help them promote the effectiveness and efficiency of those organisations. Services may include professional advice, training, event and conference management and accommodation

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D To promote and improve citizenship and community development via the use of its services and assets

The charity has the general aim of encouraging the participation of these sections of the community who would otherwise be denied access to service across the spectrum of education social welfare, the arts and media, health promotion, training and advice. It is one of a handful of unique multi-functional charities operating in the UK.

Set up in the early 1970's it occupied a site in Kentish Town from 1977, moving to its new headquarters at the Hampstead Town Hall in the year 2000. Interchange is a charity which works mainly in Camden and Greater London but with some national projects and international links.

The main target for the period as in previous years is to increase the quantity and range of facilities in our new centre for young disadvantaged people, for pensioners and the elderly, for disabled children, for religious and refugee groups, by way of running programmes and events.

Our centre is normally open 8.30am to 9pm on weekdays and weekends with state of the art specialist facilities for education courses, conferences, workshops and summer schools, rehearsal and teaching studios for the performing arts, sports facilities for trampolining, circus school, yoga, karate, play schemes, sound recording, video and media studios, family facilities for disabled children, emergency childcare and lone-parenting and holiday outreach scheme. A room bookings service, hospitality, and catering for community events is available at special rates as well as weddings and civil partnership ceremonies attracting popular local support.

The strategies employed to achieve the charity's objectives include

- Celebrating the diversity of cultures in our society by working with key Borough and London-wide bodies such as the London Development Agency, Learning and Skills Council, Arts Council, etc
- Strengthening this diverse culture in the charity sector by our unique training programmes and housing our resident charities who provide services in the centre targeted at vulnerable groups or disadvantaged communities
- Involving young (talented) people in the art and creative industries developing exemplary courses, the Diploma course, highlighting and celebrating the role of the non-Western art forms in our culture
- Providing rehearsal facilities for "amateur"/professional and arts educational programmes to develop with young people and artists
- To ensure that our multi-functional ethos is carried out through an open bookings policy for the whole community with discounted rates for charities and the community

The charity has two major areas of activity

A Charities/Communities Resource Programme

All of our services here are provided through these departments

Corporate Team is responsible for managing the building and maximising its use from a wide cross section of the local and regional community. Events ranging from lectures, conferences, craft fairs, performances, rehearsals, receptions, functions, weddings etc help generate a significant proportion of the earned income which allows Interchange to meet the annual running costs of the building.

We have a licence to hold civil partnership and wedding ceremonies in the Council Chamber, with the objective being for any part of the revenue secured through these events, to contribute towards the refurbishment of the Grade 2 listed Town Hall buildings.

We are celebrating a further year of running the community programme 'Tuesdays at the Town Hall' which invite events for the benefit of our local community – notable successes being our film club and the community choir.

Training has a long track record working with charities, not for profit organisations, the health service, the education sector, local government, social enterprises, arts groups, leisure and sports centres, refugee groups, housing associations etc – with mail-out networks with over 3000 groups. This team is at the forefront of developing new skills and the building of healthier work environments, stimulating productivity, creativity and improved service. Their training and in-house tailored training offers over 30 specialist courses from accountancy to law, from equal opportunities to health & safety, from finance to communications and counselling.

CopyArt IT & Media Services runs our UK Online Centre, which operates at the Hampstead Town Hall, together with a wide range of services including, website design and authoring, document graphic design, IT network support and advice, IT training and support for resident charities and students, filming and recording events. This innovative service offers music, media, arts and digital production facilities to engage disadvantaged young people and low income families to make use of our courses in new technologies/software for people working in the cultural industries.

B Alternative Education Programme

WAC Performing Arts & Media College (WAC) delivers most of the current educational programmes in the centre- with over 800 young people per week attending their renowned arts, leisure and vocational training courses in the creative industries. WAC has over 30 years' experience in the youth arts field with its exemplary courses hailed by eminent bodies such as the Learning & Skills Council and many local and international funders such as the European Social Fund.

The arts education programme from WAC values the general transferable skills young people learn from arts experiences. It provides dedicated training for digital media artists and specialist courses for young people with learning difficulties. WAC has a national and

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international reputation for innovative ways of teaching and learning, giving young people who are marginalised priority access to its programmes – the philosophy underpinning its lifelong learning programmes

WAC offers a diploma course in the performing arts and works to support the growth of small businesses in the cultural industries, facilitating the professional development of artists' careers. WAC offers over 20 courses spanning the age ranges of children and young people from 2 to 25 years old – from WAC nights for 11- 25 year olds to the ARCO plus media training courses for young people 16 – 22 years old who find difficulty with formal schooling but often succeed within the WAC family ethos

Also offered are primary and secondary school programmes with holiday courses and play schemes. These are an integral part of their extensive programmes – focussed upon three areas of work

- Vocational training, alternative education and careers development in the creative industries for young people eg Arco Plus, Arco Junior, Apprenticeships, Work experience
- Leisure activities for young people, children and their families. Eg Junior WAC, Senior WAC, WAC Nites, Wonder WAC, Aspire etc
- Professional training, Training the Trainer and the 3 year Diploma course

Achievements & Performance

2011/2012 represents a year of review where operational management and support issues were subject to a strategic audit and a more effective structure identified as a basis to build for the future. As well as these changes we commenced a process of change management to refresh all areas of our business. We have set ambitious new targets for all departments to enable the organisation to provide new levels of service to its beneficiaries and new levels of income to support the organisation

The year has proved a challenging period with charitable funding difficult to secure in an extremely difficult financial marketplace

On an operational front all our services continue and we are developing our programme to work more closely with some of our resident charities and local groups to ensure greater services and culture are offered to local communities

Interchange currently employs over 30 full time and around 170 part time staff with a large number of volunteers supporting specific activities. We are therefore an important employer in the London Borough of Camden and making a significant investment in the local economy. Some of our programmes have also assisted the start up of small new businesses in the arts sector which further adds to our investment in the Borough as these move out to local premises and become future employers

Although the building has many conflicts over maximising the use of its capacity with huge demand on certain areas and much less on others, we have set new strategies and targets to improve our marketing of all the areas alongside a programme of improvements to provide greater flexibility with our room rentals. We are part way through an initiative designed to re-energise the vision and performance of Interchange

Interchange Trust takes this opportunity to thank our staff, volunteers, Trustees and funders who support our work

The Board of Trustees presents its report and the audited financial statements for the year to 30th September 2012

FINANCIAL REVIEW

The Board of Trustees reports on a period when the organisation suffered from the difficult financial marketplace which resulted in a number of our funders making sudden and substantial cuts to our funding

Recognising the difficulties in securing suitable, sustainable levels of funding, a review of overall funding strategy for the organisation has taken place and greater emphasis will be made on attracting longer term unrestricted funding to fund some of our continuing projects although this could prove a challenge in the short term

Overall the Trust reported a deficit of £(293,265) for the period (2011 a deficit of £(80,831)), as set out on pages 8 to 16 of these accounts

Restricted funds represent project and capital grants which were all awarded for specific purposes

Unrestricted funds represent monies which can be applied to any charitable objectives within the organisation's objectives

The Statement of Financial Activities shows the extent of and movement on, all charitable funds during the period

Future Plans

Interchange Trust aims to establish greater financial stability for the organisation. It is important for the organisation to rebuild its reserves. The business plan looks to develop a period of steady growth in both restricted and unrestricted income and we believe that we now have a team in place who can continue to help us achieve this

Reserves Policy

The Trustees have reviewed the level of Interchange Trust's reserves in line with the operational guidance issued by the Charity Commission

The main charitable purpose of Interchange Trust is to stimulate education and training and promote community involvement and development at regional and neighbourhood levels. The Trust needs free reserves (ie those not tied up in fixed assets, or restricted funds) sufficient to allow for future financial stability without jeopardising the furtherance of its mission

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Trustees Report For the year to 30th September 2012

The Trust's reserves policy must reflect the organisation's ongoing wish to strike a balance between two financial objectives. First, the need for financial flexibility, and secondly, fulfilling the contracted agreement to invest income from revenue funders in achieving the charitable aims of the organisation on an annual basis. Given the high proportion of public funding which contributes to the Trust's income, it remains the aim and responsibility of the Trust to commit and spend such income in the financial year of receipt.

As a consequence the Board feels that the Trust should work to build financial reserves equivalent to a minimum of three months current expenditure. This is judged to be the prudent level required to allow the organisation's business to proceed normally throughout a financial year while income fluctuates quarter by quarter.

Free reserves at 30th September 2012 were £75,669 (unrestricted reserves less unrestricted fixed assets) – see note 14 (2011 £153,502)

Board of Trustees Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the profit or loss of the charity for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, each of the persons who are Trustees at the time when this report is approved has confirmed that

- (a) so far as each Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- (b) each Trustee has taken all the steps that ought to have been taken as a Trustee, including making appropriate enquiries of fellow directors and the charity's auditors for that purpose, in order to be aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

The members each agree to contribute an amount not exceeding £10 to the assets of the charity in the event of its being wound up whilst a member and for one year after ceasing to be a member. The amount of these guarantees at 30th September 2012 was £120 (2011- £110).

Trustees have no beneficial interest in the charity and are not remunerated.

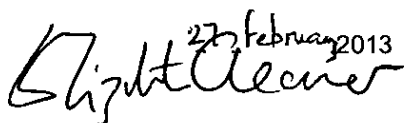
Statement on Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit published by the Charity Commission in determining the activities undertaken by the charity.

The identifiable benefits are set out in this report as are the aims of the Charity and the beneficiary groups.

Approved by the Board of Trustees
and signed on its behalf by

Elizabeth Cleaver – Chair

 27 February 2013

Independent Auditors' Report to the Members of Interchange Trust

We have audited the financial statements of Interchange Trust for the year ended 30 September 2012 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. 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 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 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 the Trustees and auditors

As explained more fully in the Trustees' Responsibilities, 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. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's and group's affairs as at 30 September 2012 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, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.


Bernie Watson (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

Fairfax House
15 Fulwood Place
London
WC1V 6AY

27 February

2013

Interchange Trust - consolidated

Consolidated Statement of Financial Activities For the year to 30th September 2012

	<u>Note</u>	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>Year to</u> <u>30 Sept 2012</u> <u>Total</u> £	<u>Year to</u> <u>30 Sept 2011</u> <u>Total</u> £
Incoming Resources					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Grants and donations	2	1,259,315	38,450	1,297,765	1,800,991
<i>Activities for generating funds</i>					
Fee income 1(b)		-	662,907	662,907	650,207
Other income		5,485	31,007	36,492	27,220
Bank Interest		8	2,012	2,020	3,568
Total incoming resources		<u>£ 1,264,808</u>	<u>£ 734,376</u>	<u>£ 1,999,184</u>	<u>£ 2,481,986</u>
Resources Expended					
Charitable activities					
Service and projects expenditure	3	1,482,190	202,453	1,684,643	1,818,307
Centre management	3	-	592,806	592,806	729,980
Governance costs	3	<u>2,500</u>	<u>12,500</u>	<u>15,000</u>	<u>14,530</u>
Total resources expended	3	<u>£ 1,484,690</u>	<u>£ 807,759</u>	<u>£ 2,292,449</u>	<u>£ 2,562,817</u>
Net Outgoing/incoming resources before transfers	5	(219,882)	(73,383)	(293,265)	(80,831)
Transfers	12	-	-	-	-
Net Outgoing resources after transfers		(219,882)	(73,383)	(293,265)	(80,831)
Funds at 1st October 2011		<u>7,818,568</u>	<u>200,788</u>	<u>8,019,356</u>	<u>8,100,187</u>
Funds at 30th September 2012	12	<u>£ 7,598,686</u>	<u>£ 127,405</u>	<u>£ 7,726,091</u>	<u>£ 8,019,356</u>

All of the charity's activities are classed as continuing. All recognised gains and losses are shown above. The movement on funds is shown in Notes 12 and 13.

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Consolidated Financial Statements
For the year to 30th September 2012

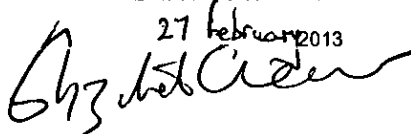
Company No 1153319

Consolidated and Charity Balance Sheets - 30th September 2012

	Note	30 September 2012 Group		30 September 2012 Interchange		30 September 2011 Group		30 September 2011 Interchange	
		£	£	£	£	£	£	£	£
Tangible Fixed Assets	6		7,741,029		51,736		7,948,821		83,251
Non-Current Asset									
Amount due from Related Charity	7		-		110,875		-		118,352
Current Assets									
Debtors	8	219,174		219,174		168,240		168,240	
Cash at bank and in hand		244,933		217,945		592,987		564,054	
		<u>464,107</u>		<u>437,119</u>		<u>761,227</u>		<u>732,294</u>	
Creditors, amounts falling due within one year	9	(395,005)		(388,285)		(593,355)		(586,680)	
Net Current Assets			69,102		48,834		167,872		145,614
Creditors, amounts falling due after more than one year	11		(84,040)		(84,040)		(97,337)		(97,337)
		<u>£ 7,726,091</u>		<u>£ 127,405</u>		<u>£ 8,019,356</u>		<u>£ 249,880</u>	
Funds									
Restricted funds	1(i), 12		7,598,686				7,818,568		49,092
Unrestricted funds	1(i), 13		127,405		127,405		200,788		200,788
		<u>£ 7,726,091</u>		<u>£ 127,405</u>		<u>£ 8,019,356</u>		<u>£ 249,880</u>	

The financial statements were approved for issue by the Board of Trustees on
and signed on its behalf by

Elizabeth Cleaver - Chair

27 February 2013


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Consolidated Financial Statements
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Notes

1 Accounting Policies

- (a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Companies Act 2006 and follow the recommendations in the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005

These financial statements include the results, assets and liabilities of the main charity, Interchange Trust, together with its subsidiary, The Hamden Trust. The Charity has taken advantage of the exemptions afforded by paragraph 397 of the SORP and has not presented a separate Statement of Financial Activities for the Charity itself. The parent charity's gross incoming resources are £2,153,691 (2011 £2,641,975) and its resources expended are £2,276,166 (2011 £2,534,893)

The Trust has recorded a deficit of £(122,475) for the period to 30th September 2012, and the Trust's balance sheet reflects a positive net asset position of £127,405

Projections for the year ended 30 September 2013 reflect a return to a modest surplus with a longer term forecast [3 year business plan] satisfying the need to rebuild the financial reserves in line with our reserves policy

- (b) Fee income represents earned sales, of room hire, training and legal services
- (c) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received
- (d) Revenue grants are credited to the Statement of Financial Activities when received, unless they relate to a specified future or prior period, in which case they are deferred or accrued respectively
- (e) Grants received specifically for the purchase of fixed assets are credited to restricted funds (see Note 1 (i) below) when received. The expenditure of such grants is recorded as additions to fixed assets, and the assets are depreciated as indicated in Note 1 (g) below
- (f) Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered
Costs of charitable activities consist of all expenditure directly relating to the objects of the Charity
Governance costs include expenditure on management and compliance with constitutional and statutory requirements together with an allocation of support costs
Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Support costs, which are attributable to more than one activity, are apportioned across cost categories on a basis consistent with the use of resource
- (g) Individual fixed assets costing £500 or more are capitalised at cost
Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life as follows
- | | | |
|---------------------------|---|---|
| Studio Equipment | - | 50% straight line |
| Land | - | Not depreciated |
| Fixtures and fittings | - | 25% straight line |
| Computer equipment | - | 25% straight line |
| Leasehold buildings | - | 2% per annum |
| Improvement to properties | - | Straight line over the shorter of the term of the lease or 2% per annum |
| Artwork | - | Not depreciated |
| Motor Vehicles | - | 25% straight line |
- (h) Leased assets
Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge
- (i) Funds held by the charity are categorised as follows
Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes
Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees
- (j) Pensions
The Trust operates a defined contribution scheme. Pension costs charged against operating profits are the employers' contribution in respect of the accounting period. No contributions were outstanding or pre-paid at the balance sheet date
- (k) Cash Flow Statement
The Directors have taken advantage of the exemptions available in Financial Reporting Standard No 1 not to prepare a cash flow statement

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Notes (Continued)

2 Grants and Donations

	<u>Restricted</u>	<u>Unrestricted</u>	Year to 30 Sept 2012 <u>Total</u>	Year to 30 Sept 2011 <u>Total</u>
		£	£	£
London Borough (LB) of Camden	96,561		96,561	149,000
Arts Council of England, London	51,475		51,475	111,356
LB Camden Social Services	175,388		175,388	256,127
LB Camden Youth Service	41,569		41,569	54,993
LB Camden Leisure & Community	29,147		29,147	4,520
European Social Fund - Leonardo	6,730		6,730	52,623
London Development Agency	360,159		360,159	685,380
LPSA-Youth Capital Grant				14,255
LSIS	28,000		28,000	38,250
Learning and Skills Council	164,818		164,818	102,252
North Herts College	39,069		39,069	2,323
Outreach	10,000		10,000	1,465
Camden Exclusion Service	40,000		40,000	38,750
Arco Plus	5,169		5,169	7,375
Arco Junior	12,515		12,515	5,550
European Youth In Action				10,336
State Street	200		200	250
Equitable Chantable Trust	5,000		5,000	5,000
Aldenham Club Trust	1,910		1,910	1,500
Help a Capital Child				41,485
Jack Petchey Foundation	1,200		1,200	2,400
BBC Children in need	117,108		117,108	103,935
Garfield Weston				50,000
Execution Trust		25,000	25,000	25,000
Andrew Lloyd Webber	50,000		50,000	
The Vandervell Foundation	10,000		10,000	
BBC Performing Arts grant	10,500		10,500	
The Memery Crystal Trust	1,000		1,000	
Esmee Fairbairn				
Tudor Trust				
Chantes Advisory Trust	775		775	
Godolphin & Latymer	1,022		1,022	
Income from Other Trusts		120	120	1,000
Donations		13,330	13,330	35,866
	<u>£ 1,259,315</u>	<u>£ 38,450</u>	<u>£ 1,297,765</u>	<u>£ 1,800,991</u>

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Notes (Continued)

3 Total Resources Expended - Year to 30 September 2012

a) Interchange

	Service and Projects £	Centre Management £	Governance £	Year to 30 Sept 2012 £	Year to 30 Sept 2011 £
Staff costs and tutors fees	921,011	141,717	-	1,062,728	1,016,814
Other direct costs	399,572	326,922	-	726,494	1,000,406
Audit fee	-	-	12,500	12,500	12,530
Allocation of support costs					
General staff costs	106,683	87,287	-	193,970	215,556
Premises expenses	87,548	71,630	-	159,178	138,424
Depreciation	25,608	8,536	-	34,144	57,794
Insurance	27,276	22,317	-	49,593	48,706
Professional fee	4,143	3,390	-	7,533	7,422
Irrecoverable VAT	22,519	7,507	-	30,026	37,241
	<u>£ 1,594,360</u>	<u>£ 669,306</u>	<u>£ 12,500</u>	<u>£ 2,276,166</u>	<u>£ 2,534,893</u>

b) Group

	Service and Projects £	Centre Management £	Governance £	Year to 30 Sept 2012 £	Year to 30 Sept 2011 £
Staff costs and tutors fees	921,011	141,717	-	1,062,728	1,016,814
Other direct costs	306,072	250,422	-	556,494	830,406
Audit fee	-	-	15,000	15,000	14,530
Allocation of support costs					
General staff costs	106,683	87,287	-	193,970	215,556
Premises expenses	93,011	71,630	-	164,641	155,993
Depreciation	201,885	8,536	-	210,421	234,071
Insurance	27,276	22,317	-	49,593	48,706
Professional fee	6,186	3,390	-	9,576	9,500
Irrecoverable VAT	22,519	7,507	-	30,026	37,241
	<u>£ 1,684,643</u>	<u>£ 592,806</u>	<u>£ 15,000</u>	<u>£ 2,292,449</u>	<u>£ 2,562,817</u>

Support costs are allocated according to the proportion of staff time or floor space used by each activity

4 (a) Staff Costs and Numbers - Interchange Trust and Group

	Year to 30 Sept 2012 £	Year to 30 Sept 2011 £
Wages and salaries	1,125,610	959,559
Social security costs	84,748	78,522
Pension scheme contributions	9,432	9,180
	<u>£ 1,219,790</u>	<u>£ 1,047,261</u>

Two employees received emoluments higher than £60,000 but below £70,000 during the period (2011 -2)

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Notes (Continued)

The average monthly number of persons employed during the year [period] was

	<u>2012</u> <u>Number</u>	<u>2011</u> <u>Number</u>
Field workers	31	28
Administration	11	9
	<u>42</u>	<u>37</u>

4 (b) Trustees Remuneration and Expenses – Interchange Trust and Group

Trustees received no remuneration during the period (2011 Nil)

No expenses were reimbursed during the period to any Members (2011 Nil)

5 Net Incoming Resources for the Period

	<u>Year to</u> <u>30 Sept 2012</u>		<u>Year to</u> <u>30 Sept 2011</u>	
	£	£	£	£
	Group	Interchange	Group	Interchange
This is stated after charging				
Depreciation (note 6)	210,421	34,144	234,070	57,793
Audit and accountancy fees	15,000	12,500	14,530	12,530
	<u>225,421</u>	<u>46,644</u>	<u>248,600</u>	<u>70,323</u>

6 Tangible Fixed Assets

a) Interchange

	<u>Studio</u> <u>Equipment</u> £	<u>Fixtures &</u> <u>Fittings</u> £	<u>Plant &</u> <u>Equipment</u> £	<u>Motor</u> <u>Vehicle</u> £	<u>Total</u> £
Cost					
At 1st October 2011	29,994	89,917	187,542	42,747	350,200
Additions	-	-	2,629	-	2,629
Disposals	-	-	-	-	-
At 30th September 2012	<u>29,994</u>	<u>89,917</u>	<u>190,171</u>	<u>42,747</u>	<u>352,829</u>
Depreciation					
At 1st October 2011	26,089	55,475	174,698	10,687	266,949
Charge for the period	3,905	11,906	7,646	10,687	34,144
Eliminated on disposal	-	-	-	-	-
At 30th September 2012	<u>29,994</u>	<u>67,381</u>	<u>182,344</u>	<u>21,374</u>	<u>301,093</u>
Net book value					
At 30th September 2012	£ -	£ 22,536	£ 7,827	£ 21,373	£ 51,736
At 1st October 2011	<u>£ 3,905</u>	<u>£ 34,442</u>	<u>£ 12,844</u>	<u>£ 32,060</u>	<u>£ 83,251</u>

Equipment assets with a net book value of £5,332 (2011 £10,664) are held under a finance lease

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6b) Group

	<u>Freehold Long Lease</u>	<u>Studio Equipment</u>	<u>Long Leasehold Building</u>	<u>Improvements Artwork & Buildings</u>	<u>Fixtures & Fittings</u>	<u>Plant & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£	£	£	£
Cost								
At 1 st October 2011	330,500	29,994	900,000	7,915,373	235,066	187,542	42,747	9,641,222
Additions	-	-	-	-	-	2,629	-	2,629
Disposals	-	-	-	-	-	-	-	-
At 30th September 2012	<u>£ 330,500</u>	<u>£ 29,994</u>	<u>£ 900,000</u>	<u>£ 7,915,373</u>	<u>£ 235,066</u>	<u>£ 190,171</u>	<u>£ 42,747</u>	<u>£ 9,643,851</u>
Depreciation								
At 1 st October 2011	-	26,089	131,727	1,148,576	200,624	174,698	10,687	1,692,401
Charge for period	-	3,905	18,000	158,277	11,906	7,646	10,687	210,421
Disposals	-	-	-	-	-	-	-	-
At 30th September 2012	<u>-</u>	<u>£ 29,994</u>	<u>£ 149,727</u>	<u>£ 1,306,853</u>	<u>£ 212,530</u>	<u>£ 182,344</u>	<u>£ 21,374</u>	<u>£ 1,902,822</u>
Net book value								
At 30th September 2012	<u>£ 330,500</u>	<u>£ -</u>	<u>£ 750,273</u>	<u>£ 6,608,520</u>	<u>£ 22,536</u>	<u>£ 7,827</u>	<u>£ 21,373</u>	<u>£ 7,741,029</u>
At 1 st October 2011	<u>£ 330,500</u>	<u>£ 3,905</u>	<u>£ 768,273</u>	<u>£ 6,766,797</u>	<u>£ 34,442</u>	<u>£ 12,844</u>	<u>£ 32,060</u>	<u>£ 7,948,821</u>

7 Non-current Asset – Amount due from Related Charity

The non current asset relates to amounts due from Hamden Trust

8 Debtors

	<u>Year to 30 Sept 2012</u>		<u>Year to 30 Sept 2011</u>	
	£ Group	£ Interchange	£ Group	£ Interchange
Trade debtors	37,189	37,189	43,825	43,825
Other debtors	133,091	133,091	91,974	91,974
Prepayments and accrued income	48,894	48,894	32,441	32,441
	<u>£ 219,174</u>	<u>£ 219,174</u>	<u>£ 168,240</u>	<u>£ 168,240</u>

9 Creditors, amounts falling due within one year

	<u>Year to 30 Sept 2012</u>		<u>Year to 30 Sept 2011</u>	
	£ Group	£ Interchange	£ Group	£ Interchange
Trade creditors	187,021	184,821	71,213	65,671
Other creditors incl taxation & social security	47,514	47,514	69,256	69,256
Grants in advance	39,139	39,139	172,283	172,283
Finance lease creditor	4,345	4,345	4,129	4,129
Loan – Trndos Bank (note 11)	10,250	10,250	10,264	10,264
Accruals	71,133	66,613	166,768	165,635
Deferred income (Note 10)	35,603	35,603	99,442	99,442
	<u>£ 395,005</u>	<u>£ 388,285</u>	<u>£ 593,355</u>	<u>£ 586,680</u>

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Notes (Continued)

10 Deferred Income

	Year to 30 Sept 2012		Year to 30 Sept 2011	
	£ Group	£ Interchange	£ Group	£ Interchange
Balance at 1 st October	99,442	99,442	103,238	98,539
Amount released to incoming resources	(99,442)	(99,442)	(103,238)	(98,539)
Amount deferred in the period	35,603	35,603	99,442	99,442
Balance at 30 Sept	<u>£ 35,603</u>	<u>£ 35,603</u>	<u>£ 99,442</u>	<u>£ 99,442</u>

11 Creditors, amounts falling due after more than one year

	Year to 30 Sept 2012 £	Year to 30 Sept 2011 £
Finance lease creditor	-	4,955
Loan from Trodos Bank	84,040	92,382
Balance at 30 Sept	<u>£ 84,040</u>	<u>£ 97,337</u>

The charity has a long term borrowing facility from Trodos Bank N V of £150,000 to finance the final element of the Hampstead Town Hall re-development project on behalf of The Hamden Trust, a related charity
The loan is for a period of 20 years from the date of draw-down (25th October 2002)

After a 12-month interest-only period, the loan is repayable in 228 consecutive monthly payments of capital and interest. Interest is payable at the (variable) Royal Bank of Scotland base rate plus 1.5%

The loan is secured by a first legal mortgage over the lease between The Hamden Trust and Interchange Trust in respect of the Hampstead Town Hall Centre

12 Movement on Funds

Group	At 1st Oct 2011 £	Total Incoming Resources £	Total Resources Expended £	Transfers £	At 30 th Sept 2011 £
Restricted Funds					
Interchange	49,092	1,259,315	1,308,407	-	-
Town Hall leasehold acq	900,000	-	-	-	900,000
Freehold Land	212,000	-	-	-	212,000
Bridge House Estates Trust Fund	300,000	-	-	-	300,000
Right of Way	118,500	-	-	-	118,500
Town Hall Project Costs	6,238,976	5,493	176,283	-	6,068,186
	<u>7,818,568</u>	<u>1,264,808</u>	<u>1,484,690</u>	<u>-</u>	<u>7,598,686</u>
Unrestricted Funds					
General (Note 13)	200,788	734,376	807,759	-	127,405
	<u>£ 8,019,356</u>	<u>£ 1,999,184</u>	<u>£ 2,292,449</u>	<u>£ -</u>	<u>£ 7,726,091</u>

Transfers represent the net charges for occupancy and management fees between the two Charities
Restricted funds consist of grants and donations restricted to the purposes as described in each fund's title above

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13 Unrestricted funds of the Charity **Notes (Continued)**

	£
Balance at 1st October 2011	200,788
Net incoming resources for the year	(73,383)
Balance at 30th September 2012	<u>£ 127,405</u>

14 Analysis of Net Assets between Funds

Group

Fund balances at 30th September 2012 are represented by

	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>Total</u> £
Tangible fixed assets	7,689,293	51,736	7,741,029
Net long-term assets/(liabilities)	(110,875)	26,835	(84,040)
Net current assets/(liabilities)	20,268	48,834	69,102
Total Net Assets	<u>£ 7,598,686</u>	<u>£ 127,405</u>	<u>£ 7,726,091</u>

15 Taxation

The company is a registered charity and, as such, is not liable to corporation tax on its charitable operations

16 Lease Commitments

	<u>Year to</u> <u>30 Sept 2012</u> £	<u>Year to</u> <u>30 Sept 2011</u> £
	Plant & Machinery	Plant & Machinery
Annual commitments under operating leases expiring		
Less than one year	-	640
One to two years	-	2,163
Between two and five years	11,044	9,307
	<u>£ 11,044</u>	<u>£ 12,110</u>
	Plant & Machinery	Plant & Machinery
Annual commitments under finance leases		
Amounts payable within next year	4,345	4,129
Amounts payable in the second to fifth years	-	4,954
	<u>£ 4,345</u>	<u>£ 9,083</u>

17 Connected Charities

The members of the Board of Trustees of Interchange Trust are also on the Board of Trustees of The Hamden Trust

18 Pensions

The charity contributes to certain individual employees' personal pension schemes. The pension charge for the period was £9,432 (2011 - £9,180)

19 Capital Commitments

The Charity has no capital commitments as at 30 September 2012