

Company Number 1158819  
Registered Charity Number 267043

**INTERCHANGE TRUST**  
(A company limited by guarantee)

**CONSOLIDATED REPORT AND FINANCIAL STATEMENTS**

**18 month period ended**

**30th September 2009**

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## **Interchange Trust**

### **Council of Management's Report For the period ended 30th September 2009**

The Trustees are pleased to present their report together with the consolidated financial statements of the charity for the 18 month period ended 30th September 2009

#### **Reference and administrative details**

Charity number	267043
Company number	1158819
Principal & registered Office	Hampstead Town Hall Centre 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

#### **Directors and 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

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

Chair	Sue Wilby [Temporary chair to 9 June 2008] Peter Kysel [elected Chair 9 June 2008 resigned July 2009] Ian Douglas [elected July 2009 resigned November 2009] Malcolm Roberts [elected November 2009]
Elected trustees	Amanda Berry Peter Davey Brian Fagan Patricia Orwell Josephine Burns [elected 21 April 2008] Ian Douglas [elected 21 April 2008] Elaine Grant [elected 21 April 2008] Malcolm Roberts [elected 21 April 2008] Stephen Dias [elected 14 April 2009] Mark Mullen [resigned 28 May 2008] Sue Wilby [resigned 7 December 2008] Sue Timothy [resigned 7 April 2009] Peter Kysel [resigned 10 July 2009] Jonathan Kropman [resigned 10 July 2009] Winifred Adeyemi [resigned 14 July 2009] Charles Worth [elected 21 April 2008, resigned 12 December 2008] Zina Rohan [elected 21 April 2008, resigned 25 January 2009] Duncan Sones [elected 21 April 2008, resigned 1 March 2009] Charlotte Brown [elected 21 April 2008, resigned 27 March 2009] Natasha Bunbury [elected 21 April 2008, resigned 1 April 2009] Alison Vydulinska [elected 21 April 2008, resigned 8 August 2009]
Nominated Borough Council Observer	Sheila Gunn [resigned 20 April 2009]
Chief Executive	Celia Greenwood
Company Secretary	Ken Shoultis FCA

## **Interchange Trust**

### **Council of Management's Report For the period ended 30th September 2009**

#### **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 Company are the elected Trustees of which there were 9 serving at the period end and each of these agrees to contribute £10 in the event of the Charity winding up.

##### **Appointment of Trustees**

As set out, the Chair of Trustees is elected collectively by the sitting Board of Trustees. All Trustees are elected as the members and directors (co-terminus) of the company. Three Trustees are elected annually at the AGM on a rotation basis, having served 3 years. Trustees have the power to co-opt further members to fill specialist roles. 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/members are circulated invitations to nominate Trustees prior to the AGM advising them of retiring Trustees and requesting nominations at the AGM.

The Observer Nominee, 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 of the Board and a briefing with the Chief Executives at which an induction pack is presented, including copies of the Memorandum and Articles, Committee Standing Orders and decision making processes, chart of the line management structure, business plan, staff handbook, contract of employment and recent financial performance of the charity.

There is a half-day induction to meet key employees, heads of departments, and other Trustees. The Trustees regularly conduct a skills audit of Board Members to identify gaps, if any, with a view to considering the potential for advertising/recruiting new Trustee(s) to fill a specialist/professional role eg chartered accountant, lawyer etc.

##### **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 Heads of Departments, Salaries Working Party 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 the CEO's 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. The results for The Hamden Trust have been consolidated in these financial statements.

##### **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 has 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 (eg Contracts of Employment) by the Chief Executive, with an annual review by the Chair of Trustees.

## **Interchange Trust**

### **Council of Management's Report For the period ended 30th September 2009**

#### **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 the arts of drama, mime, dramatic improvisation, literature, dance, singing and music, and to formulate, prepare and establish schemes thereof
- B In the interest of social welfare to provide, or assist in the provision of, facilities for recreation or other leisure time occupation with the object of improving the conditions of life of the person for whom such facilities are primarily intended being persons who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances provided that nevertheless such facilities shall be available to the members of the public at large
- C To establish and support or aid in the establishment and support of any charitable association or institutions which carry on the business of providing housing and any associated amenities for persons in necessitous circumstances and to subscribe or guarantee money in connection therewith
- D To promote the efficiency of charities in direct furtherance of their objects by the provision of financial advice and of legal advice relating to those aspects of the law which affect them

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, with its 13 resident London charities, at the Hampstead Town Hall Centre 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, leisure events, thereby increasing our visitor numbers and community users (average of 2000 per week).

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, legal advisory surgeries for charities, 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 charities 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, Somali Community Association, Arts Council, etc
- Strengthening this diverse culture in the charity sector by our unique (20 year old) Legal Advisory Services and Training programmes and housing 13 resident charities who provide services in the centre targeted at vulnerable groups or disadvantaged communities – across mental health services, safety advice for community groups, violence support, black and ethnic minority cultural groups etc
- Involving young (talented) black 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

## **Interchange Trust**

### **Council of Management's Report For the period ended 30th September 2009**

The charity has two major areas of activity

#### **A As a Charities/Communities Resource Programme**

All of our services here are provided through five key departments

**Legal Advisory Service (ILAS)** has provided legal advice to a wide range of charities and not-for-profit organisations, as well as to individuals seeking to set up charities for over 20 years. Initial advice is free, thereafter advice is charged for but at heavily subsidised rates. ILAS relied on grant funding, principally from London Councils, to enable it to provide low-cost legal advice.

Over the period ILAS has advised charities dealing with poverty, education, arts, community issues, refugees, domestic violence, disability, sport and other issues. Advice has covered many areas of law, in particular charity law, company law, property law, employment and contract law. As well as advice to individual clients ILAS has offered seminars, surgeries and legal audits.

**Camden Team (Centre Services)** 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.

**Training** has a 20 year 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 Centre, 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 Interchange Trust with basic skills enhanced with our short 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 year's track record 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 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.

Primary and secondary school programmes with holiday courses and play schemes 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

**Interchange Trust**  
**Council of Management's Report**  
**For the period ended 30th September 2009**

**Achievements & Performance**

2008/09 is our 8th year in the Hampstead Town Hall Centre. It represents a further year of review and consolidation where management, system and support issues were addressed and a more effective structure implemented as a basis to build for the future. As well as changes to management we continue to update our IT and operational systems and 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.

2008/09 has proved a challenging period with charitable funding difficult to secure and an extremely challenging financial marketplace. The impact of the economic downturn on both our restricted and unrestricted income was severe with the consequence that the financial result placed a further call on our reserves.

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. The programme known as 'Tuesdays at the Town Hall' is still a great success encouraging local people to come into our historic building and enjoy shows and presentations from our colleagues.

The Community Forum continues to work closely with a number of other local representation groups to build stronger relationships with our 'neighbours'. We have forged strong links with a number of the local community groups and are confident that they will now provide useful support to the development of our organisation. We can already report that the feedback from these initiatives have proved highly positive with support, commitment and even fundraising for our work.

Interchange currently employs 30 full time and over 200 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 Council of Management presents its report and the audited consolidated financial statements for the period ended 30th September 2009.

**FINANCIAL REVIEW**

The Council of Management reports on a difficult period caused primarily by difficult economic conditions generally. We have experienced a period of change with many new trustees joining and a number standing down. This was enacted whilst a number of major reorganisation measures were being implemented in order to prepare Interchange for the challenges that lie ahead. Further changes to most of our major funding bodies forced us to undertake a major fundraising campaign which is beginning to prove successful.

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.

Overall the Group had a net deficit for the period of £449,615 (2008 a deficit of £167,297), as set out on page 9 of these accounts. The subsidiary, The Hamden Trust, had a net deficit for the period of £420,871 (2008 a deficit of £104,134). 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 Affairs shows the extent of and movement on, all charitable funds during the period.

**Future Plans**

Interchange Trust aims to create a period of financial stability for the organisation. Recent results make it 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 achieve this commencing in 2009/2010.

**Reserves Policy**

The Council of Management has 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

## Interchange Trust

### Council of Management's Report For the period ended 30th September 2009

in fixed assets, or restricted funds) sufficient to allow for future financial stability without jeopardising the furtherance of its mission

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 2009 stood at £56,176 (2008: £49,511).

#### Council of Management's Responsibilities

Company law requires the Council of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements the Council of Management is 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 company will continue on that basis.

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. It is also responsible for safeguarding the assets of the company 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 company'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 company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

The members each agree to contribute an amount not exceeding £10 to the assets of the company 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 2009 was £90 (2007- £120).

Council of Management members have no beneficial interest in the company 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 Council of Management  
and signed on its behalf by



Malcolm Roberts - Chair  
15 February 2010

## **Independent Auditors' Report to the Members of Interchange Trust**

We have audited the financial statements of Interchange Trust for the period ended 30 September 2009 which comprise the Consolidated Statement of Financial Activities, the charity and group 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 235 of the Companies Act 1985. 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 Council of Management and auditors**

The Council of Management's responsibilities for preparing the Council of Management's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Council of Management's Responsibilities. The Council of Management are also directors of Interchange Trust for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Council of Management's Report is consistent with those financial statements. In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Directors' remuneration specified by law are not made. We read the Council of Management's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and charitable company's affairs as at 30 September 2009 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 1985, and
- the information given in the Council of Management's Report is consistent with the financial statements.

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

**Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY**

15 Feb 2010

# Interchange Trust

## Consolidated Statement of Financial Activities For the period ended 30th September 2009

	<u>Note</u>	<u>Restricted</u> £	<u>Unrestricted</u> £	18 month period to 30 Sept 2009 <u>Total</u> £	Year to 31 March 2008 <u>Total</u> £
<b>Incoming Resources</b>					
<b>Incoming resources from generated funds</b>					
<i>Voluntary income</i>					
Grants and donations	2	1,347,501	39,855	1,387,356	1,102,652
<i>Activities for generating funds</i>					
Fee income 1(b)		-	1,082,896	1,082,896	759,973
Other income		809	65,057	65,866	60,400
Bank Interest		-	7,197	7,197	16,019
<b>Total incoming resources</b>	£	<u>1,348,310</u>	£ <u>1,195,005</u>	£ <u>2,543,315</u>	<u>£1,939,044</u>
<b>Resources Expended</b>					
<b>Charitable activities</b>					
Service and projects expenditure	3	1,264,903	680,426	1,945,329	1,502,269
Centre management	3	479,140	551,911	1,031,051	586,462
<b>Governance costs</b>	3	<u>2,800</u>	<u>13,750</u>	<u>16,550</u>	<u>17,610</u>
<b>Total resources expended</b>	3 £	<u>1,746,843</u>	£ <u>1,246,087</u>	£ <u>2,992,930</u>	£ <u>2,106,341</u>
<b>Net Outgoing resources before transfers</b>	5	(398,533)	(51,082)	(449,615)	(167,297)
Transfers	12	<u>(35,000)</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
<b>Net Outgoing resources after transfers</b>		<u>(433,533)</u>	<u>(16,082)</u>	<u>(449,615)</u>	<u>(167,297)</u>
<b>Funds at 1st April 2008</b>		<u>8,561,549</u>	<u>96,463</u>	<u>8,658,012</u>	<u>8,825,309</u>
<b>Funds at 30th September 2009</b>	12 £	<u>8,128,016</u>	£ <u>80,381</u>	£ <u>8,208,397</u>	£ <u>8,658,012</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.

**Interchange Trust**  
**Consolidated Financial Statements**  
**For the period ended 30th September 2009**

Company No 1153319

**Consolidated and Charity Balance Sheets - 30th September 2009**

	<b>Note</b>	<b>30 September 2009 Group</b>		<b>30 September 2009 Interchange</b>		<b>31 March 2008 Group</b>	<b>31 March 2008 Interchange</b>
		£	£	£	£	£	£
<b>Tangible Fixed Assets</b>	6		8,242,329		24,205	8,693,001	57,514
<b>Non-Current Asset</b>							
Amount due from Related Charity	7		-		133,491	-	133,109
<b>Current Assets</b>							
Debtors	8	206,110		206,110		212,578	212,578
Cash at bank and in hand		182,525		134,442		198,144	147,235
		<u>388,635</u>		<u>340,552</u>			
<b>Creditors, amounts falling due within one year</b>	9	<u>(311,620)</u>		<u>(306,920)</u>		<u>(307,664)</u>	<u>(303,264)</u>
<b>Net Current Assets</b>			77,015		33,632		
<b>Creditors, amounts falling due after more than one year</b>	11		<u>(110,947)</u>		<u>(110,947)</u>	<u>(138,047)</u>	<u>(138,047)</u>
			<u>£8,208,397</u>		<u>£80,381</u>	<u>£8,658,012</u>	<u>£109,125</u>
<b>Funds</b>							
Restricted funds	1(j),12		8,128,016		-	8,561,549	12,662
Unrestricted funds	1(j),13		80,381		80,381	96,463	96,463
			<u>£8,208,397</u>		<u>£80,381</u>	<u>£8,658,012</u>	<u>£109,125</u>

The financial statements were approved for issue by the Council of Management on  
and signed on its behalf by



Malcolm Roberts - Chair

15 February 2010

**Interchange Trust**  
**Consolidated Financial Statements**  
**For the period ended 30th September 2009**

**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 1985 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 £2,782,506 (2008 £2,039,856) and its resources expended are £2,811,250 (2008 £2,103,019)

The Trust has recorded a deficit at 30th September 2009, but the Trust's balance sheet reflects a positive net asset position of £80,381

Projections for the year ended 30 September 2010 reflect a return to a modest surplus with a longer term forecast [5 year business plan] satisfying the need to rebuild the financial reserves in line with our reserves policy

In the light of the projections which are being closely monitored, the trustees believe that it is appropriate for the financial statements to be prepared on a going concern basis

- (b) The Company changed its year end to reflect accounting periods in line with academic years due to the increasing levels of educational workloads
- (c) Fee income represents earned sales, of room hire, training and legal services
- (d) Voluntary income is received by way of donations and gifts and is included in full in the Statement Financial Activities when received
- (e) 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
- (f) 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
- (g) 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
- (h) 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
- |                           |   |   |
|---------------------------|---|---|
| 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   |
- (i) **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

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- (j) 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.

- (k) 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.

- (l) 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.

**2 Grants and Donations**

			18 month period to 30 Sept 2009	Year to 31 March 2008
	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£
PAYP	-	-	-	3,738
London Borough (LB) of Camden	292,532	-	292,532	219,720
London Councils	79,868	-	79,868	78,788
Arts Council of England, London	164,103	-	164,103	222,083
LB Camden Social Services	168,975	-	168,975	117,742
LB Camden Youth Service	112,476	-	112,476	61,995
LB Camden Leisure & Community	10,241	-	10,241	6,200
European Social Fund - Leonardo	99,996	-	99,996	(1,477)
Other Grants and Donations	-	-	-	99,887
London Development Agency	94,825	-	94,825	-
London Metropolitan University	-	-	-	5,000
Acland Burghley School	-	-	-	16,774
Learning and Skills Council	112,160	-	112,160	10,000
European Social Fund - Last Mile	-	-	-	107,660
COOL	3,287	-	3,287	-
YOF	9,528	-	9,528	-
Camden Exclusion Service	6,250	-	6,250	-
John Lyons Chanty	-	-	-	4,000
Arco Plus	10,755	-	10,755	-
Arco Junior	29,086	-	29,086	-
Federation of London Youth Clubs	-	-	-	1,060
EMI Records Ltd	-	-	-	3,000
Hedley Foundation	-	-	-	2,000
Lloyds TSB Foundation	-	-	-	4,173
First Light Movies	-	-	-	18,990
Aldenharn Club Trust	-	-	-	750
Help a London Child	-	-	-	2,154
Jack Petchey Foundation	-	-	-	3,200
BBC Children in need	1,256	-	1,256	26,239
Unity Theatre Trust	-	-	-	-
Rise Phoenix	-	-	-	3,110
Tudor Trust	60,000	-	60,000	-
Drapers Charitable Fund	-	-	-	3,000
Peabody Trust	-	-	-	6,968
Esmee Fairbairn	31,827	-	31,827	30,900
Paul Hamlyn Foundation	35,000	-	35,000	40,000
Income from Other Trusts	25,336	-	25,336	-
Donations	-	39,855	39,855	-
UK Online	-	-	-	4,998
	<u>£ 1,347,501</u>	<u>£ 39,855</u>	<u>£ 1,387,356</u>	<u>£ 1,102,652</u>

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**Notes (Continued)**

**3 Total Resources Expended – 18 months to 30 September 2009**

**a) Interchange**

	Service and Projects £	Centre Management £	Governance £	Total 18 month period to 30 Sept 2009 £	Total Year to 31 March 2008 £
Staff costs and tutors fees	1,213,854	253,686	-	1,467,540	1,221,672
Other direct costs	394,186	322,516	-	716,702	419,894
Audit fee	-	-	13,750	13,750	15,350
Allocation of support costs					
General staff costs	149,880	122,630	-	272,510	173,057
Premises expenses	104,915	85,841	-	190,756	152,512
Depreciation	20,806	17,023	-	37,829	31,267
Insurance	40,488	33,128	-	73,616	49,759
Professional fee	9,361	7,660	-	17,021	15,661
Irrecoverable VAT	11,839	9,687	-	21,526	23,847
	<u>£ 1,945,329</u>	<u>£ 852,171</u>	<u>£ 13,750</u>	<u>£ 2,811,250</u>	<u>£ 2,103,019</u>

**b) Group**

	Service and Projects £	Centre Management £	Governance £	Total 18 month period to 30 Sept 2009 £	Total Year to 31 March 2008 £
Staff costs and tutors fees	1,213,854	253,686	-	1,467,540	1,221,672
Other direct costs	394,186	117,516	-	511,702	299,894
Audit fee	-	-	16,550	16,550	15,350
Allocation of support costs					
General staff costs	149,880	122,630	-	272,510	173,057
Premises expenses	104,915	102,358	-	207,273	161,518
Depreciation	20,806	284,386	-	305,192	134,103
Insurance	40,488	33,128	-	73,616	49,759
Professional fee	9,361	7,660	-	17,021	27,141
Irrecoverable VAT	11,839	9,687	-	21,526	23,847
Loss on Fixed Asset		100,000		100,000	
	<u>£ 1,945,329</u>	<u>£ 1,031,051</u>	<u>£ 16,550</u>	<u>£ 2,992,930</u>	<u>£ 2,106,341</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**

	18 month period to 30 Sept 2009 £	Year to 31 March 2008 £
Wages and salaries	1,301,968	1,052,197
Social security costs	115,854	95,128
Pension scheme contributions	9,482	8,273
	<u>£ 1,427,304</u>	<u>£ 1,155,598</u>

No employee received emoluments in the range of £60,000 to £70,000 during the period (2008 - Nil)

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**Notes (Continued)**

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

	<u>2009</u> <u>Number</u>	<u>2008</u> <u>Number</u>
Field workers	32	35
Administration	4	5
	<u>36</u>	<u>40</u>

**4 (b) Council of Management Remuneration and Expenses – Interchange Trust and Group**

Members of the Council of Management received no remuneration during the period (2008 Nil)

Travel expenses of £589 were reimbursed during the period to two Members (2008 £858, reimbursed to two members)

**5 Net Incoming Resources for the Period**

	<u>18 month period to</u> <u>30 Sept 2009</u>		<u>Year to</u> <u>31 March 2008</u>	
	£	£	£	£
	Group	Interchange	Group	Interchange
This is stated after charging				
Depreciation (note 6)	305,192	37,829	134,103	31,267
Audit and accountancy fees	16,550	13,750	17,550	15,350
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**6 Tangible Fixed Assets**  
**a) Interchange**

	<u>Plant &amp;</u> <u>Machinery</u>	<u>Fixtures &amp;</u> <u>Fittings</u>	<u>Equipment</u>	<u>Total</u>
	£	£	£	£
<b>Cost</b>				
At 1st April 2008	6,752	50,788	197,343	254,883
Additions	-	-	4,520	4,520
Disposals	-	(8,500)	(44,500)	(53,000)
	<u>6,752</u>	<u>42,288</u>	<u>157,363</u>	<u>206,403</u>
At 30th September 2009	6,752	42,288	157,363	206,403
<b>Depreciation</b>				
At 1st April 2008	6,752	14,659	175,958	197,369
Charge for the period	-	26,344	11,485	37,829
Eliminated on disposal	-	(8,500)	(44,500)	(53,000)
	<u>6,752</u>	<u>32,503</u>	<u>142,943</u>	<u>182,198</u>
At 30th September 2009	6,752	32,503	142,943	182,198
<b>Net book value</b>				
At 30th September 2009	£ -	£ 9,785	£ 14,420	£ 24,205
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 1st April 2008	£ -	£ 36,129	£ 21,385	£ 57,514
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Equipment assets with a net book value of £10,500 (2007 £38,630) are held under finance leases (depreciation of £10,500 was charged on them in this period)

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6b) Group		Notes (Continued)					
	Freehold Long Lease	Artwork	Long Leasehold Building	Improvement and Buildings	Fixtures and Fittings	Plant and Equipment	Total
	£	£	£	£	£	£	£
Cost							
At 1st April 2008	330,500	151,480	900,000	7,913,893	195,937	204,095	9,695,905
Additions	-	-	-	-	-	4,520	4,520
Disposals	-	(150,000)	-	-	(8,500)	(44,500)	(203,000)
At 30th September 2009	£ 330,500	£ 1,480	£900,000	£ 7,913,893	£ 187,437	£ 164,115	£ 9,497,425
Depreciation							
At 1st April 2008	-	-	68,727	594,606	156,861	182,710	1,002,904
Charge for the period	-	-	27,000	237,416	29,291	11,485	305,192
Disposals	-	-	-	-	(8,500)	(44,500)	(53,000)
At 30th September 2009	£ -	£ -	£ 95,727	£ 832,022	£ 177,652	£ 149,695	£ 1,255,096
Net book value							
At 30th September 2009	£ 330,500	£ 1,480	£804,273	£ 7,081,871	£ 9,785	£ 14,420	£ 8,242,329
At 1 <sup>st</sup> April 2008	£ 330,500	£ 151,480	£831,273	£ 7,319,287	£ 39,076	£ 21,385	£ 8,693,001

**7 Non-current Asset – Amount due from Related Charity**

The non current asset relates to amounts due from Hamden Trust

**8 Debtors**

	18 month period to 30 Sept 2009		Year to 31 March 2008	
	£ Group	£ Interchange	£ Group	£ Interchange
Trade debtors	143,288	143,288	59,187	59,187
Other debtors	-	-	544	544
Prepayments and accrued income	62,822	62,822	152,847	152,847
	<u>206,110</u>	<u>206,110</u>	<u>212,578</u>	<u>212,578</u>

**9 Creditors, amounts falling due within one year**

	18 month period to 30 Sept 2009		Year to 31 March 2008	
	£ Group	£ Interchange	£ Group	£ Interchange
Trade creditors	23,422	23,422	86,491	86,491
Other creditors incl taxation & social security	84,735	84,735	87,244	87,244
Finance lease creditor	3,883	3,883	21,031	21,031
Loan from Tnodos Bank (note 11)	7,920	7,920	5,387	5,387
Accruals	81,259	81,259	56,767	56,767
Deferred income (Note 10)	110,401	105,701	50,744	46,344
	<u>311,620</u>	<u>306,920</u>	<u>307,664</u>	<u>303,264</u>

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**Notes (Continued)**

**10 Deferred Income**

	18 month period to 30 Sept 2009		Year to 31 March 2008	
	£ Group	£ Interchange	£ Group	£ Interchange
Balance at 1st April	50,744	46,344	249,974	242,318
Amount released to incoming resources	(50,744)	(46,344)	(249,974)	(242,318)
Amount deferred in the period	110,401	105,701	50,744	46,344
Balance at 30 Sept 2009 [31 March 2009]	<u>110,401</u>	<u>105,701</u>	<u>50,744</u>	<u>46,344</u>

**11 Creditors, amounts falling due after more than one year**

	18 month period to 30 Sept 2009	Year to 31 March 2008
	£	£
Finance lease creditor	-	14,329
Loan from Triodos Bank	110,947	123,718
Balance at 30 Sept 2009 [31 March 2009]	<u>£ 110,947</u>	<u>£ 138,047</u>

The charity has a long term borrowing facility from Triodos 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 April 2008	Total Incoming Resources	Total Resources Expended	Transfers	At 30th Sept 2009
	£	£	£	£	£
<b>Restricted Funds</b>					
Interchange	12,662	1,347,501	(1,360,163)	-	-
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	6,868,387	809	(236,680)	(35,000)	6,597,516
Anthony Caro Sculpture	150,000	-	(150,000)	-	-
	<u>8,561,549</u>	<u>1,348,310</u>	<u>(1,746,843)</u>	<u>(35,000)</u>	<u>8,128,016</u>
<b>Unrestricted Funds</b>					
General (Note 13)	96,463	1,195,005	(1,246,087)	35,000	80,381
	<u>£ 8,658,012</u>	<u>£ 2,543,315</u>	<u>£ (2,992,930)</u>	<u>£ -</u>	<u>£ 8,208,397</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 April 2008	96,463
Net outgoing resources for the year after transfers	(16,082)
	<hr/>
Balance at 30th September 2009	£ 80,381

**14 Analysis of Net Assets between Funds**

**Group**

Fund balances at 30th September 2009 are represented by

	<u>Restricted</u>	<u>Unrestricted</u>	18 month period to 30 Sept 2009 <u>Total</u>
	£	£	£
Tangible fixed assets	8,218,124	24,205	8,242,329
Net long-term assets/(liabilities) -	(133,491)	22,544	(110,947)
Net current assets/(liabilities) -	43,383	33,632	77,015
	<hr/>	<hr/>	<hr/>
Total Net Assets	£ 8,128,016	£ 80,381	£ 8,208,397

**15 Taxation**

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

**16 Lease Commitments**

	18 month period to 30 Sept 2009 £	Year to 31 March 2008 £
	<b>Plant &amp; Machinery</b>	<b>Plant &amp; Machinery</b>
Annual commitments under operating leases expiring		
Between two and five years	£ 10,793	£ 2,372
	<hr/>	<hr/>
Annual commitments under finance leases		
Amounts payable within next year	3,883	21,031
Amounts payable in the second to fifth years	-	14,329
	<hr/>	<hr/>
	£ 3,883	£ 35,360

**17 Connected Charities**

The members of the Council of Management of Interchange Trust are also on the Council of Management of The Hamden Trust

**18 Pensions**

The company contributes to certain individual employees' personal pension schemes. The pension charge for the period was £9,482 (2008 - £8,273)

**19 Capital Commitments**

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The Company has no capital commitments as at 30 September 2009