

Registered number: 05089501

**THE ORPHEUS CENTRE TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2010**

The Orpheus Centre Trust (Registered number: 05089501)
Annual report and financial statements for the year ended 31 July 2010

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The Orpheus Centre Trust
Legal and Administrative Information

**Trustee Directors and Management Board of
The Orpheus Centre**

Russell Barrow
John Beer OBE (appointed 25 January 2010)
Tony Elias
Richard Groom (Chairman)
Richard H Z S Stilgoe OBE
Helen Swain

Secretary

Daniel Braverman

Company number

05089501

Charity number

1105213

Registered office and Principal address

Orpheus Centre
North Park Lane
Godstone
Surrey
RH9 8ND

Auditors

McKenzies
Chartered Accountants
Statutory Auditors
14 – 16 Station Road West
Oxted
Surrey
RH8 9EP

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

The Orpheus Centre Trust (Registered number: 05089501)
Report of the trustees for the year ended 31 July 2010

The trustees present their report and accounts for the year ended 31 July 2010.

Incorporation

The trust was incorporated on 31 March 2004 and is a private company, limited by guarantee and not having a share capital. The company commenced its activities on 6 April 2004.

Structure, Governance and Management

The Centre is managed by the Management Board made up of the Trustee Directors. The Trustee Directors meet every two months. The Trustee Directors who have served during the year and since the year end are set out below:

Russell Barrow
John Beer OBE (appointed 25 January 2010)
Jim Burton (resigned 7 September 2009)
Tony Elias
Michael Gould (resigned 7 September 2009)
Richard Groom
Richard H Z S Stilgoe OBE
Helen Swain

One third of the Directors retires each year and may offer themselves for re-election for one further term of three years. Richard Stilgoe is a permanent trustee. New trustees are appointed by members at full board meetings. All trustees are advised of their responsibilities under charity law and training opportunities are made available for relevant issues relating to charity and employment law.

Trustees are charged with making decisions with regard to the charity's business, strategic direction and main areas of policy. Trustees delegate day-to-day leadership to the Chief Executive, who constructs business and strategic plans for scrutiny, amendment and adoption by the Board of Trustees. Sub-committees of the Board, including financial and quality sub-committees meet regularly to ensure accountability and compliance in key areas. The Chief Executive is responsible for operational management.

Risk Factors

The trustees make regular reviews of the risks which the trust faces. The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen the risks.

Volunteering

The charity has a vibrant volunteering programme, with over 100 volunteers contributing to a thriving centre. Each year a number of residential volunteers join the Orpheus Centre, including international volunteers. There are also local volunteers, volunteer enablers from partner education and voluntary-sector organisations and groups of volunteers from local businesses.

Summary of the Orpheus Centre Trust Objectives and Public Benefit

The charity trustees comply with their duty to have due regard to directing the activities of the charity towards public benefit.

The objectives of the Trust are:

1. the relief of young disabled people in particular, but not limited to the foregoing, by the provision of residential care facilities
2. to promote the advancement of education through the provision of opportunities to participate in the performing arts as creators, performers, technicians, administrators and audiences
3. to provide training, learning and other facilities which support student progress towards independent living.

The main objectives for 2009 - 2010 were:

1. to establish a sustainable business model for new tripartite arrangements consisting learning, domiciliary care and supported housing
2. to fundraise and plan for building conversion to 100% supported housing
3. to increase student numbers for September 2010
4. to establish a thorough work experience programme for students.

Review of Activities

The charity had seven strategic aims for 2009/2010, including the following key outcomes:

Strategic Aim 1: To establish the best possible environment for learning, living and creativity

- A feasibility study was completed into a building programme for supported housing.
- Site improvement included filling in the swimming pool, establishing a new patio area and displaying more of the students' own art.
- Site maintenance was improved with clear service standards established on redecoration and the setting up of an intranet task list.

Strategic Aim 2: To build excellent relationships with external stakeholders

- Regular open evenings were set up with an increased flow of prospective students and external stakeholders. As a result, student numbers increased by 30% for September 2010.
- There was increased activity within disability arts networks: the centre hosted key events, built partnerships and links with Graeae, StopGAP, Heart n Soul, Face Front and Dada South.
- A parent focus group met, facilitated by a parent and produced a report.

Strategic Aim 3: To create a model of good practice in personalisation

- A person-centred planning (PCP) policy was written and basic training in PCP embedded into induction training.
- Improvements were made to target-setting within students' Individual Learning Plans (ILPs). Every student has clear and relevant learning targets that they create with tutor support.
- An active tenants' association was set up with regular meetings.

Review of Activities (continued)

Strategic Aim 4: To improve workforce development: making the most of staff and volunteer time, skills and talents

- Volunteering was developed to support the charity in a more focused way: reception is now run by volunteers, there is more volunteering in marketing and administration and volunteers are aligned more effectively to the learning programme.
- Training and professional development opportunities improved; key staff delivered effective in-house training and the centre ran its own PTTLS (Preparing to Teach in the Lifelong Learning Sector) course, delivered by East Surrey College.
- A Vision Day report was produced with contributions from across the centre, this enabled staff, volunteers and students to make an input into the growing social enterprise activity.

Strategic Aim 5: To build excellent systems to maximise efficient use of our human and physical resources

- A scoping exercise was completed, resulting in the decision to adopt the Salesforce database for the charity's contact management.
- Student recruitment systems were streamlined.
- Employees were trained in internal communication systems such as Outlook Calendar and the Orpheus intranet, resulting in greater efficiency across the centre.

Strategic Aim 6: To Increase positive public awareness of our work

- Regular information and news updates were sent out through multiple channels; including website updates, online platforms and press/media lists.
- The charity's audience built to extend beyond the usual 'friends and family': *Orpheus the Mythical* played to 1300 at the Yvonne Arnaud Theatre, Guildford.
- The number of outreach events and visits from groups increased and the charity's work touched more people from more varied backgrounds.

Strategic Aim 7: Financial stability by maximising our income and controlling our spending

- The charity made a surplus in the year, contributing to ongoing financial stability.
- A new hardship bursary fund was instigated and received a philanthropic pledge of £100k to be phased over four years from 2010/2011. The initial capital fundraising target was also met, with a philanthropic pledge of £300k over three years from 2010/11.
- A new financial model was designed for implementation in 2010/11: Cost effectiveness and good value for students were established as the twin drivers for the charity to support the longer-term aim to reduce the proportion of core costs through growth.

Financial Review and Reserves Policy

During the year, the trust received £2,159,324 (2009 - £1,475,865) of incoming resources and expended £1,659,968 (2009 - £1,690,559).

It is the trustees' policy to maintain reserves at a level to support the operating activities of the charity for one year in case of loss of funding. The trustees therefore consider £400,000 to be the optimum level of reserves. The trust plans to generate modest surpluses in the next five years in order to steadily build reserves to this level, without impairing the quality of services to our students.

The Orpheus Centre Trust (Registered number: 05089501)
Report of the trustees for the year ended 31 July 2010 (continued)

Related Parties

The Orpheus Centre is connected to another charity, The Alchemy Foundation, with which it co-operates in the pursuit of charitable objectives. The Alchemy Foundation had invested £678,832 to support the set-up of The Orpheus Centre in its early years. This amount was increased during the year by £100,000 to £778,832. The initial part of the loan of £678,832 has now been written off by way of donation to The Orpheus Centre Trust. The additional £100,000 is repayable within twelve months of the balance sheet date.

Plans for future periods

The Chief Executive will ensure the implementation of the charity's strategic plan; its aims for 2010–2011 are:

- To establish a thriving arts social enterprise at the heart of our learning activity. This will include running more workshops and short courses at external community venues.
- To build a diverse and active base of supporters. This will include bringing the Salesforce database into operation.
- To establish excellent and innovative practice in developing people and their careers. This will include the further development of volunteering, adding value to the careers of emerging professionals.
- To make our operations as professional and efficient as possible. This includes reviewing and amending our financial systems to ensure that they are fit for purpose to deliver new tripartite arrangements.
- To establish a high profile for Orpheus as an innovator in delivering desirable care and learning outcomes. This includes engaging with professional networks to contribute to conferences and to apply for awards where appropriate.
- To create a high quality environment that fits with tripartite services in supported housing, domiciliary care and learning. This includes completing the first phase of our building programme; the phasing out of our residential care operation and the transfer to 100% supported housing accommodation.
- To increase demand for our services from prospective students. This includes strengthening relationships with feeder organisations and focusing our marketing message on student case studies.

In forthcoming years, the charity aims to achieve full occupancy of its North Park Lane Centre and to achieve a learning contract from the Young People's Learning Agency (YPLA). We will build partnerships with education, arts and community organisations to run more learning programmes to meet growing demand.

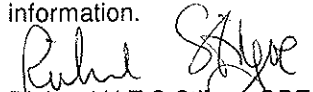
Asset cover for funds

Note 15 sets out an analysis of the net assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund by fund basis given the continued support of the trust's bankers and The Alchemy Foundation.

The Orpheus Centre Trust (Registered number: 05089501)
Report of the trustees for the year ended 31 July 2010 (continued)

Statement as to disclosure of information to auditors

So far as the trustee directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as trustee directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.


Richard H Z S Stilgoe OBE
Director and Trustee

1 March 2011

The Orpheus Centre Trust (Registered number: 05089501)
Trustees' responsibilities

Law applicable to charities in England and Wales require the trustees to prepare financial statements for each financial period which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payment basis).

In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

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

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which 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.

The Orpheus Centre Trust (Registered number: 05089501)
Report of the independent auditors to the members

We have audited the financial statements of The Orpheus Centre Trust for the year ended 31 July 2010 which comprise the statement of financial activities, the balance sheet and the related notes, set out on pages 10 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 13.

This report is made solely to the members, as a body, in accordance with Section 396 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustee's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page 7.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustee's Report is consistent with the financial statements.

We are not required to consider the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

In addition, we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustee's remuneration and other transactions is not disclosed.

We read the Trustee's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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.

The Orpheus Centre Trust (Registered number: 05089501)
Report of the independent auditors to the members (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 July 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.

McCoy

C McCoy
Senior Statutory Auditor
For and on behalf of McKenzies
Chartered Accountants
Statutory Auditors
14 - 16 Station Road West
Oxted
Surrey
RH8 9EP

3rd March

2011

The Orpheus Centre Trust (Registered number: 05089501)
Statement of Financial Activities (including Income and Expenditure Account)
for the year ended 31 July 2010

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2010 Total £	2009 Total £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	392,066	3,000	478,832	873,898	128,911
Activities for generating funds	2	90,651	-	-	90,651	134,285
Interest receivable		-	84	-	84	649
Incoming resources from charitable activities	2	<u>1,194,691</u>	<u>-</u>	<u>-</u>	<u>1,194,691</u>	<u>1,212,020</u>
Total incoming resources		<u>1,677,408</u>	<u>3,084</u>	<u>478,832</u>	<u>2,159,324</u>	<u>1,475,865</u>
Resources expended						
Cost of generating funds		98,008	-	-	98,008	84,850
Charitable expenditure:						
Students, music and arts courses		1,479,964	2,875	76,021	1,558,860	1,602,609
Governance costs		<u>3,100</u>	<u>-</u>	<u>-</u>	<u>3,100</u>	<u>3,100</u>
Total resources expended	3	<u>1,581,072</u>	<u>2,875</u>	<u>76,021</u>	<u>1,659,968</u>	<u>1,690,559</u>
Net incoming / (outgoing) resources before transfers	6	96,336	209	402,811	499,356	(214,694)
Transfer between funds	14	<u>(11,909)</u>	<u>-</u>	<u>11,909</u>	<u>-</u>	<u>-</u>
Net income / (expenditure) for the year		84,427	209	414,720	499,356	(214,694)
Reconciliation of funds						
Funds brought forward		<u>(311,280)</u>	<u>25,030</u>	<u>3,323,891</u>	<u>3,037,641</u>	<u>3,252,335</u>
Fund balances at 31 July 2010	11-13	<u>(226,853)</u>	<u>25,239</u>	<u>3,738,611</u>	<u>3,536,997</u>	<u>3,037,641</u>

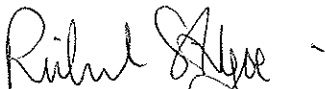
There were no gains or losses for the current year other than those included in the Statement of Financial Activities.


The notes on pages 13 to 18 form part of these financial statements.

The Orpheus Centre Trust (Registered number: 05089501)
Balance sheet at 31 July 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	7	3,958,672	3,974,885
Current assets			
Debtors	8	121,192	79,725
Cash at bank and in hand		15,145	14,821
		136,337	94,546
Liabilities			
Creditors: Amounts falling due within one year	9	(558,012)	(352,958)
Net current liabilities		(421,675)	(258,412)
Total assets less current liabilities		3,536,997	3,716,473
Creditors			
Amounts falling due after one year	10	-	(678,832)
Net assets		<u>£3,536,997</u>	<u>£3,037,641</u>
Capital funds			
Endowment funds	11	3,738,611	3,323,891
Income funds			
Unrestricted funds:			
Designated funds	12	(226,853)	(311,280)
Restricted funds	13	25,239	25,030
		<u>£3,536,997</u>	<u>£3,037,641</u>

Approved by the board of directors and trustees on 1 March 2011


 Richard H Z S Stilgoe OBE
 Director and Trustee


 Tony Elias
 Director and Trustee

The notes on pages 13 to 18 form part of these financial statements.

The Orpheus Centre Trust (Registered number: 05089501)
Cash Flow Statement for the year ended 31 July 2010

		2010		2009	
	Notes	£	£	£	£
Net cash outflow from operating activities	a		(18,963)		(210,827)
Capital expenditure and financial investment					
Purchase of investments		-	-	-	-
Purchase of tangible fixed assets		(90,072)		(64,949)	
Net cash outflow from capital expenditure and financial investment			<u>(90,072)</u>		<u>(64,949)</u>
Decrease in cash	b		<u>(109,035)</u>		<u>(275,776)</u>

a. Reconciliation of changes in resources to net cash outflow from operating activities

Net incoming / (outgoing) resources for the year	499,356	(214,694)
Depreciation	106,285	108,325
(Increase) in debtors	(41,467)	(7,067)
(Decrease) in creditors	(583,137)	(97,391)
Net cash outflow from operating activities	<u>(18,963)</u>	<u>(210,827)</u>

b. Analysis of changes in cash during the year

Balance at 1 August 2009	(222,421)	53,355
Net cash outflow	(109,035)	(275,776)
Balance at 31 July 2010	<u>(331,456)</u>	<u>(222,421)</u>

The notes on pages 13 to 18 form part of these financial statements.

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005) issued in April 2005 and complies with the Charities Act 1993 Part VI as amended by the Charities Act 2006.

Incoming resources

Income is accounted for in the year in which the trust is entitled to receipt.

Resources expended

Expenditure is included on an accruals basis.

Governance costs

Governance costs are associated with the governance arrangements of the charity and include the cost of external audit fees.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected life, as follows:

Freehold buildings	2% / 10% Straight line
Musical instruments	15% Reducing balance / Straight line
Furniture & equipment	15% Reducing balance / Straight line
Motor vehicles	25% Reducing balance

Operating leases

Rentals applicable to operating leases are charged to the expenditure account over the period in which the cost is incurred.

Accumulative funds

The nature and purpose of each fund is explained in notes 11 to 13.

The Orpheus Centre Trust (Registered number: 05089501)

Notes forming part of the financial statements for the year ended 31 July 2010 (continued)

2 Income

	Unrestricted Funds 2010	Restricted Funds 2010	Endowment Funds 2010	Total Funds 2010	Total Funds 2009
Incoming resources from generated funds:					
Voluntary Income					
Donations	354,457	3,000	478,832	836,289	121,911
Grants	37,609	-	-	37,609	7,000
	<u>392,066</u>	<u>3,000</u>	<u>478,832</u>	<u>873,898</u>	<u>128,911</u>
Activities for Generating Funds					
Bank Deposit Interest	-	84	-	84	649
Fundraising	90,651	-	-	90,651	134,285
	<u>90,651</u>	<u>84</u>	<u>-</u>	<u>90,735</u>	<u>134,934</u>
Charities Activities Income					
Student Income	1,081,641	-	-	1,081,641	1,109,963
Course Income	50,480	-	-	50,480	50,568
Outreach & Other Income	62,570	-	-	62,570	51,489
	<u>1,194,691</u>	<u>-</u>	<u>-</u>	<u>1,194,691</u>	<u>1,212,020</u>
TOTAL INCOMING RESOURCES	<u>1,677,408</u>	<u>3,084</u>	<u>478,832</u>	<u>2,159,324</u>	<u>1,475,865</u>

3 Total resources expended

	Staff costs	Depreciation	Other costs	Total 2010 £	Total 2009 £
Cost of generating funds	77,985	-	20,022	98,008	84,850
Charitable expenditure:					
Students, music and arts courses	1,065,631	106,285	386,945	1,559,860	1,602,609
Governance costs	-	-	3,100	3,100	3,100
	<u>1,143,616</u>	<u>106,285</u>	<u>410,067</u>	<u>1,659,968</u>	<u>1,690,559</u>

4 Trustees

In accordance with the Memorandum of Association of the company, none of the trustees (or any persons connected with them) received any remuneration or benefits during the year.
One trustee received payments totalling £449 in respect of travelling costs reimbursed (2009 – £69).

The Orpheus Centre Trust (Registered number: 05089501)

Notes forming part of the financial statements for the year ended 31 July 2010 (continued)

5 Employees

Number of employees

The average monthly number of employees during the year was:	2010	2009
Fundraising	3	2
Tuition and Support	51	52
	<u>54</u>	<u>54</u>

	2010	2009
	£	£
Employment costs		
Wages and salaries	1,065,322	1,011,624
Social security costs	78,294	82,019
	<u>1,143,616</u>	<u>1,093,643</u>

One employee received emoluments for the year in the range £60,000 - £69,999 (2009 – 1).

6 **Net incoming / (outgoing) resources**

Net incoming / (outgoing) resources is stated after charging:	2010	2009
	£	£
Depreciation	106,285	108,325
Bank interest	13,344	1,297
Auditors' remuneration	3,100	3,100
	<u>122,729</u>	<u>112,722</u>

7 **Tangible fixed assets**

	Freehold land & buildings	Musical instruments	Furniture & equipment	Motor vehicles	Total £
Cost					
At 1 August 2009	4,214,146	26,612	281,635	6,669	4,529,062
Additions	11,909	11,208	18,886	48,069	90,072
Disposals	-	-	-	-	-
At 31 July 2010	<u>4,226,055</u>	<u>37,820</u>	<u>300,521</u>	<u>54,738</u>	<u>4,619,134</u>
Depreciation					
At 1 August 2009	402,423	10,123	136,544	5,087	554,177
Charge for year	77,021	2,654	24,597	2,013	106,285
On disposals	-	-	-	-	-
At 31 July 2010	<u>479,444</u>	<u>12,777</u>	<u>161,141</u>	<u>7,100</u>	<u>660,462</u>
Net book value					
At 31 July 2010	<u>3,746,611</u>	<u>25,043</u>	<u>139,380</u>	<u>47,638</u>	<u>3,958,672</u>
At 31 July 2009	<u>3,811,723</u>	<u>16,489</u>	<u>145,091</u>	<u>1,582</u>	<u>3,974,885</u>

The Orpheus Centre Trust (Registered number: 05089501)

Notes forming part of the financial statements for the year ended 31 July 2010 (continued)

8 Debtors

	2010 £	2009 £
Prepayments and accrued income	23,415	20,771
Other debtors	<u>97,777</u>	<u>58,954</u>
	<u>121,192</u>	<u>79,725</u>

9 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank overdraft (secured)	346,601	237,242
Deferred revenue and accruals	32,802	17,283
Other creditors	78,609	98,433
The Alchemy Foundation	<u>100,000</u>	<u>-</u>
	<u>558,012</u>	<u>352,958</u>

The bank has a fixed charge over the freehold property at The Orpheus Centre.

10 Creditors: amounts falling due after one year

	2010 £	2009 £
The Alchemy Foundation	-	678,832
	<u>-</u>	<u>678,832</u>

This was an interest-free investment set against the charity's capital assets and has been written off by way of donation to The Orpheus Centre Trust.

11 Endowment funds

The endowment funds represent donations received specifically for building and equipping The Orpheus Centre in Godstone, Surrey.

	Balance 1 August 2009 £	Movement in incoming resources £	Funds resources expended £	Transfers £	Balance at 31 July 2010 £
Expendable endowments					
Land and buildings	<u>3,323,891</u>	<u>478,832</u>	<u>(76,021)</u>	11,909	<u>3,738,611</u>

The Orpheus Centre Trust (Registered number: 05089501)

Notes forming part of the financial statements for the year ended 31 July 2010 (continued)

12 Designated funds

The Orpheus Centre fund represents amounts transferred from the trust's general funds to contribute finance towards the operation of The Orpheus Centre in Godstone, Surrey.

The balance carried forward at 31 July 2010 on the tangible fixed asset fund represents the net book values of a Minibus and piano donated during the year.

	Balance at 1 August 2009 £	Movement in incoming resources £	Funds resources expended £	Transfer s £	Balance at 31 July 2010 £
Tangible fixed asset fund	-	-	(1,617)	58,069	56,452
The Orpheus Centre fund	(311,280)	1,677,408	(1,579,455)	(69,978)	(283,305)
	<u>(311,280)</u>	<u>1,677,408</u>	<u>(1,581,072)</u>	<u>(11,909)</u>	<u>226,853</u>

13 Restricted fund

The Gorton fund represents a donation in the memory of a former apprentice for any student wishing to undertake an adventurous activity.

	Balance at 1 August 2009 £	Movement in incoming resources £	Funds resources expended £	Transfers £	Balance at 31 July 2010 £
Gorton Fund	13,905	84	-	-	13,989
Freehold buildings:					
- Accessible Pathways Project	6,300	-	(700)	-	5,600
- Barn Project	2,700	-	(300)	-	2,400
	<u>9,000</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>8,000</u>
Musical instruments	1,275	-	(225)	-	1,050
Furniture and equipment	850	-	(150)	-	700
Dance workshops - revenue	-	3,000	1,500	-	1,500
	<u>11,125</u>	<u>3,000</u>	<u>(2,875)</u>	<u>-</u>	<u>11,250</u>
	<u>25,030</u>	<u>3,084</u>	<u>(2,875)</u>	<u>-</u>	<u>25,239</u>

The annual depreciation charge for fixed assets acquired is charged to the funds. The effect of the policy will be to reduce the fund to zero over the useful economic lives of the fixed assets concerned.

14 Transfer between funds

The transfer of funds of £11,909 represents payments out of unrestricted funds to augment the buildings held within the endowment fund.

The transfer of £58,069 represents the market value of £48,069 for a Minibus and £10,000 for a piano, both donated during the year.

The Orpheus Centre Trust (Registered number: 05089501)

Notes forming part of the financial statements for the year ended 31 July 2010 (continued)

15 Analysis of net assets between funds

	Designated funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 July 2010 are represented by:				
Tangible fixed assets	210,311	9,750	3,738,611	3,958,672
Current assets	119,348	16,989	-	136,337
Creditors: amounts falling due in one year	(556,512)	(1,500)	-	(558,012)
Creditors: amounts falling due after one year	-	-	-	-
	<u>(226,853)</u>	<u>25,239</u>	<u>3,738,611</u>	<u>3,536,997</u>

16 Related parties

Included within creditors falling due after one year is an amount of £nil (2009 - £678,832) due to The Alchemy Foundation, a related charity. There is a further amount due to The Alchemy Foundation included in creditors due within one year of £100,000 (2009 £nil). The initial loan of £678,832 has been written off by way of donation to The Orpheus Centre Trust.

17 Operating lease commitments

	At 31 July 2010 £	At 31 July 2009 £
The charity had annual commitments as follows:		
Equipment:		
Expiry date:		
Within one year	-	-
Between two and five years	6,914	1,976
Over five years	-	3,627
	<u>6,914</u>	<u>5,603</u>