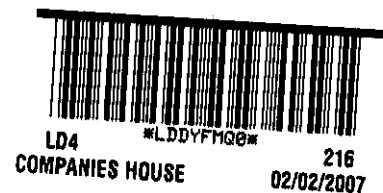


R1165

Charity Registration No. 1089163

Company Registration No. 4293133 (England and Wales)

**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**



**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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**Trustees**

O. King  
A. Sharma  
J. Pandit  
C. Burman  
K. Gaede  
M. Keith  
A. Qureshi  
Lord W. Alli  
R. Verjee  
D. Penfold  
Cllr C. Hawkins  
Cllr L. Rahman  
Cllr. D. I. Jones

**Secretary**

K Robbins

**Charity number**

1089163

**Company number**

4293133

**Registered office**

37-45 Bethnal Green Road  
London  
E1 6LA

**Auditors**

H W Fisher & Company  
Acre House  
11-15 William Road  
London  
NW1 3ER  
United Kingdom

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**RICH MIX CULTURAL FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)  
CONTENTS**

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	<b>Page</b>
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent auditors' report	5
Statement of financial activities	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9 - 16

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**RICH MIX CULTURAL FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2006**

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The trustees present their report and accounts for the year ended 31 March 2006.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 1985 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

**Structure, governance and management**

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association. Its primary objects are: to advance education of the public in art and culture of all types; to work towards the elimination of racial discrimination; to promote equality of opportunity and good relations between persons of different racial groups, particularly by promoting events and activities to foster intercultural understanding, inclusiveness and tolerance; to promote the value of cultural activity; to advance the education of the public in the history of cultural diversity of migrant communities and their contributions to economic and cultural life particularly by establishing the Rich Mix Centre as a home for exhibitions and by collecting, preserving and exhibiting items of educational value.

The trustees, who are also the directors for the purpose of company law, who served during the period were:

O. King

A. Sharma

J. Pandit

C. Burman

K. Gaede

R. Kempadoo

(Resigned 1 December 2006)

M. Keith

A. Qureshi

Lord W. Alli

R. Verjee

D. Penfold

Cllr. D. I. Jones

S. Haque

(Appointed 7 September 2005 and resigned 14 June 2006)

Cllr C. Hawkins and Cllr L. Rahman were appointed trustees on 14 June 2006.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Board of Trustees meet four times a year. Some decisions are delegated to the Creative Subcommittee which meets four times a year and the Finance and Business Subcommittee which meets 12 times a year.

Strategic decisions are made by the Board and Chief Executive Officer, key financial and business decisions by the Finance and Business Subcommittee. Senior management is responsible for implementing the Board's decisions and for day to day management.

**Objectives and activities**

The key 2005-2006 objective was to prepare the building for opening in April 2006. This was achieved. Ownership of the building was transferred to Rich Mix from London Borough of Tower Hamlets and the London Development Agency in December 2006. There has not been a formal impairment review at this stage. The trustees are aware of the likely lower carrying value of the property and intend to undertake a review in due course.

2006-7, our first year of opening, is one of exploration and consolidation, as Rich Mix builds up audiences and forges partnerships. Our aims are to complete the planning of the capital project so that creative industry tenants can move in during 2007 and all our spaces be made fit for purpose, and to implement the first creative programmes.

**RICH MIX CULTURAL FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2006**

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**Achievements and performance**

There is already a variety of activity in the building: audiences have built up in the three cinema screens, hires and events are buoyant, using Rich Mix catering services and the café and there is an artist in residence. Over 1500 children visited Rich Mix in 2006 for film and other events.

Rich Mix has already had three major successes from its creative programmes: "Car", a project involving local young people in building a supercar using film, graffiti, and music; World Cup which transformed the café space into an activity celebration of what football means in different cultures; and Brick Lane, an exhibition now showing in Lille which returned to Rich Mix in January 2007.

**Financial review**

During this accounting period, the Foundation made a surplus of £6,675,439 (2005: £9,883,557), as a result of funding received for the building of the centre. This consequently increased net assets to £16,712,862 (2005: £10,037,423).

During the period, a large proportion of the development and construction costs for the completion of the Centre were expended. Substantial grants from the Millennium Commission, Arts Council England (ACE) and London Development Agency were received to carry out the building works. Charges and debentures are in place as security for these funders and for the funding previously given by the London Borough of Tower Hamlets.

Rich Mix continues to receive vital support from its core funders, Arts Council England, LDA and the London Borough of Tower Hamlets as well as major contributions from GlaxoSmithKline, the Gatsby Foundation, Bridge House Trust and Bloomberg. In 2006-07, Rich Mix has in particular received substantial additional support from ACE to sustain its activity and help us develop a credible and effective organisation. We are grateful for ACE's continuing support to Rich Mix as one of its Regularly Funded Organisations.

A subsidiary trading company, Rich Mix Enterprises, has been set up with the aim of raising additional funding for the creative programme. Its activities are running the cinema, catering and hires business. In the first year, income has built up slowly. Deficits are being addressed by reducing costs and building audiences. Results for the last 3 months of 2006-07 show a small gross profit compared with a trading loss in the first three months of the year of over £100,000. Trustees are also examining whether contracting out of some or all of the Enterprise businesses might secure an improved performance. Bids have been invited.

**Plans for the future**

A new three year business plan is in preparation to start in 2007-8 and we are reviewing the operation of the Board to ensure the company is in the best shape for the next phase. The business plan sets out our medium-term creative and funding strategy and how we will work with partners and tenants to fulfil our creative and education mission. £925,000 has already been secured from London Borough of Tower Hamlets, GlaxoSmithKline and ACE for 2007-08. Substantial further funding is being sought to complete the fit-out of the building and develop the creative work. Trustees are reasonably comfortable that sufficient funding will be obtained to sustain the organisation's development in 2007-08 and beyond.

Measures of success for 2006-7 and 2007-8 will reflect that Rich Mix is still in its build-up phase:

- Completion of the capital programme.
- Full occupation of workspaces.
- Proportion of workspaces let to enterprises from minority communities.
- Setting up of a music hub for the borough.
- Maintaining a full programme of events and hires.
- Agreed business plan leading to substantial creative programme.
- Establishing partnership with schools in Tower Hamlets with particular emphasis on piloting joint delivery of the 14+ diploma.

**RICH MIX CULTURAL FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2006**

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**Reserves Policy**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

**Disclosure of information to auditors**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

**Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that H W Fisher & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of trustees



O. King

Trustee

Dated: .....

1 February 2007

**RICH MIX CULTURAL FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)  
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its net income and expenditure for the period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. 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.

**RICH MIX CULTURAL FOUNDATION  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF RICH MIX CULTURAL FOUNDATION**

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We have audited the accounts of Rich Mix Cultural Foundation for the period ended 31 March 2006 set out on pages 6 to 16. These accounts have been prepared under the accounting policies set out on page 9.

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 trustees and auditors**

As described on page 4, the trustees, who are also the directors of Rich Mix Cultural Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the accounts, if 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 trustees' remuneration and transactions with the charity is not disclosed. We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

**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 accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 March 2006 and of its incoming resources and application of resources in the period then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the accounts.

  
**H W Fisher & Company**

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London NW1 3ER

United Kingdom

Dated: 1 February 2007



**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2006 £	Total 2005 £
<b><u>Incoming resources from generated funds</u></b>						
Voluntary income	2	51,150	-	-	51,150	250
Investment income	3	-	-	42,152	42,152	21,629
		51,150	-	42,152	93,302	21,879
Incoming resources from charitable activities.	4	-	-	7,655,801	7,655,801	10,326,568
Other incoming resources	5	6,396	-	-	6,396	5,932
<b>Total incoming resources</b>		<b>57,546</b>	<b>-</b>	<b>7,697,953</b>	<b>7,755,499</b>	<b>10,354,379</b>
<b><u>Resources expended</u></b>						
<b>Costs of generating funds</b>						
Implementation	7	-	-	1,067,200	1,067,200	466,372
<b>Net incoming resources available</b>		<b>57,546</b>	<b>-</b>	<b>6,630,753</b>	<b>6,688,299</b>	<b>9,888,007</b>
Governance costs	8	-	-	12,860	12,860	4,450
<b>Total resources expended</b>		<b>-</b>	<b>-</b>	<b>1,080,060</b>	<b>1,080,060</b>	<b>470,822</b>
<b>Net incoming resources before transfers</b>		<b>57,546</b>	<b>-</b>	<b>6,617,893</b>	<b>6,675,439</b>	<b>9,883,557</b>
Gross transfers between funds		-	7,817,184	(7,817,184)	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>57,546</b>	<b>7,817,184</b>	<b>(1,199,291)</b>	<b>6,675,439</b>	<b>9,883,557</b>
Fund balances at 1 April 2005		16,813	7,365,639	2,654,971	10,037,423	153,866
<b>Fund balances at 31 March 2006</b>		<b>74,359</b>	<b>15,182,823</b>	<b>1,455,680</b>	<b>16,712,862</b>	<b>10,037,423</b>

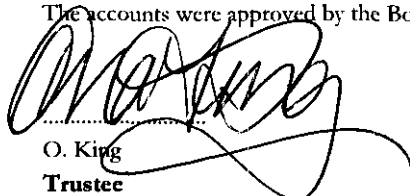
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

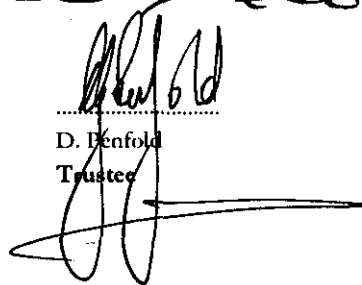
**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2006**

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	11	15,182,823		8,265,639	
<b>Current assets</b>					
Debtors	12	1,663,431		3,030,341	
Cash at bank and in hand		320,471		613,917	
		<u>1,983,902</u>		<u>3,644,258</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(453,863)</u>		<u>(1,872,474)</u>	
<b>Net current assets</b>		<u>1,530,039</u>		<u>1,771,784</u>	
<b>Total assets less current liabilities</b>		<u><u>16,712,862</u></u>		<u><u>10,037,423</u></u>	
<b>Income funds</b>					
Restricted funds	14	1,455,680		2,654,971	
Unrestricted funds:					
Designated funds	15	15,182,823		7,365,639	
Other charitable funds		<u>74,359</u>		<u>16,813</u>	
		<u><u>16,712,862</u></u>		<u><u>10,037,423</u></u>	

The accounts were approved by the Board on .....

*1 February 2007*

  
O. King  
Trustee

  
D. Benfold  
Trustee

**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

	Notes	ended 31 March 2006 £	31 March 2005 £
Net cash inflow from operating activities	17	6,623,738	7,884,486
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		<u>(6,917,184)</u>	<u>(7,365,639)</u>
Net cash outflow from capital expenditure		<u>(6,917,184)</u>	<u>(7,365,639)</u>
(Decrease)/increase in cash	18	<u><u>(293,446)</u></u>	<u><u>518,847</u></u>

**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**1 Accounting policies**

**1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

**1.2 Incoming resources**

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable or any requirement imposed on the grant is fulfilled.

Voluntary income is included in the Statement of Financial Activities upon receipt.

**1.3 Resources expended**

Expenditure is classified under the charity's principal projects. Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities. Expenditure is included on an accruals basis, inclusive of value added tax.

Support costs comprise costs incurred directly in support of expenditure on the objects of the charity.

Governance costs comprise costs for the running of the charity itself as an organisation and compliance with constitutional and statutory requirements.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land 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 useful life. However, in relation to the building under construction, this will not be applied until the construction is completed.

**1.5 Accumulated funds**

Unrestricted funds are donations and other incoming resources receivable for the objects of the charity without further specified use and are available as general funds.

Restricted funds are to used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

**2 Voluntary income**

	2006 £	2005 £
Grants receivable	51,150	250

**3 Investment income**

	2006 £	2005 £
Interest receivable	42,152	21,629

**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**4 Incoming resources from charitable activities.**

	2006 £	2005 £
Grants receivable for charitable activities	<b>7,655,801</b>	10,326,568
Arts Council England	<b>2,438,694</b>	3,202,934
Spitafields Market Community Trust	<b>101,810</b>	298,189
Bridge House Trust	-	200,000
Bloomberg	-	270,000
Garfield Weston	-	100,000
Gatsby	<b>150,000</b>	650,000
Millennium Commission	<b>2,760,255</b>	1,550,488
London Development Agency	<b>1,305,042</b>	4,054,957
London Borough of Tower Hamlets	<b>900,000</b>	-
	<b>7,655,801</b>	10,326,568

**5 Other incoming resources**

	2006 £	2005 £
Other income	<b>6,396</b>	5,932

**6 Total resources expended**

	Staff costs £	Other costs £	Total 2006 £	Total 2005 £
<b>Costs of generating funds</b>				
Implementation	635,524	431,676	1,067,200	466,372
<b>Governance costs</b>	-	12,860	12,860	4,450
	<b>635,524</b>	<b>444,536</b>	<b>1,080,060</b>	470,822

Governance costs includes payments to the auditors of £4,250 (2005- £4,000) for audit fees.

**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**7 Implementation**

	2006	2005
	£	£
Other costs of Implementation comprise:		
Insurance	5,907	6,592
Postage	14,573	7,700
Telephone and fax	5,653	2,023
Computer expenses	116,629	9,173
Travelling	-	6,032
Legal and professional	32,531	56,870
Consultancy	28,000	55,988
Training and recruitment	85,132	53,371
Bank charges	747	135
Maintenance	4,053	1,396
Rent	(16,236)	9,000
Advertising	53,937	21,290
Arts Programmes	65,438	11,362
Other costs	35,312	7,373
	<u>431,676</u>	<u>248,305</u>

**8 Governance costs**

	2006	2005
	£	£
Other governance costs comprise:		
Audit and accountancy	12,860	4,450
	<u>12,860</u>	<u>4,450</u>

**9 Trustees**

None of the trustees (or any persons connected with them) received any remuneration during the period.

**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**10 Employees**

**Number of employees**

The average monthly number of employees during the period was:

	<b>2006</b>	<b>2005</b>
	<b>Number</b>	<b>Number</b>
Administration	<b>11</b>	<b>5</b>

**Employment costs**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>593,910</b>	<b>202,296</b>
Social security costs	<b>41,614</b>	<b>15,771</b>
	<b>635,524</b>	<b>218,067</b>

The number of employees whose annual emoluments were £60,000 or more were:

	<b>2006</b>	<b>2005</b>
	<b>Number</b>	<b>Number</b>
£50,000 - £60,000	<b>2</b>	<b>1</b>

**11 Tangible fixed assets**

	<b>Buildings under Construction £</b>
<b>Cost</b>	
At 1 April 2005	8,265,639
Additions	6,917,184
<b>At 31 March 2006</b>	<b>15,182,823</b>
<b>Depreciation</b>	
At 1 April 2005 and at 31 March 2006	-
<b>Net book value</b>	
<b>At 31 March 2006</b>	<b>15,182,823</b>
At 31 March 2005	8,265,639

**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

<b>12 Debtors</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	5,988	7,050
Other debtors	1,581,808	3,021,131
Prepayments and accrued income	75,635	2,160
	<u>1,663,431</u>	<u>3,030,341</u>

<b>13 Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade creditors	423,391	914,158
Taxes and social security costs	26,222	31,466
Other creditors	-	900,000
Accruals	4,250	26,850
	<u>453,863</u>	<u>1,872,474</u>

In the previous period, other creditors was wholly made up of £900,000 owed to the London Borough of Tower Hamlets. The Foundation settled this amount with the London Borough of Tower Hamlets on 24 May 2005.



**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**14 Restricted funds**

The income funds of the charity include restricted funds comprising the building and the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2005	Movement in funds		Transfer	Balance at 31 March 2006
	£	Incoming resources	Resources expended	£	£
Arts Council England	849,890	2,438,694	-	(2,838,584)	<b>450,000</b>
Spitalfields Market Community	132,585	101,810	(234,395)	-	-
Bridge House Trust	50,858	-	(50,858)	-	-
Garfield Weston	25,429	-	(25,429)	-	-
Gatsby	165,290	150,000	(315,290)	-	-
Millenium Commission	394,276	2,760,255	(406,436)	(1,742,415)	<b>1,005,680</b>
London Development Agency	1,031,143	1,305,042	-	(2,336,185)	-
London Borough of Tower Hamlets	-	900,000	-	(900,000)	-
Interest received	5,500	42,152	(47,652)	-	-
	<u>2,654,971</u>	<u>7,697,953</u>	<u>(1,080,060)</u>	<u>(7,817,184)</u>	<u><b>1,455,680</b></u>

**Purpose of Restricted Funds**

**Arts Council England**

This capital grant is offered towards the costs of redeveloping the building. The funding is subject to regular progress reports.

**The Spitalfields Market Community Trust**

The trust is providing a grant that shall be used solely for the purposes of the project. Funding is provided with reference to the budget.

**Bridge House Trust**

The grant was provided towards the cost of making an Arts, Culture and Education Centre fully accessible.

**Garfield Weston**

This grant is provided in support of the project.

**Gatsby**

This capital grant is offered over three years towards the enterprise work of the Cultural Centre.

**Millennium Commission**

This capital grant is offered towards the costs of redeveloping the building. The funding is subject to regular progress reports.

**London Development Agency**

This grant is offered towards the costs of redeveloping the building. The Board expects that significant local community engagement will be integral to the development of the project.

**London Borough of Tower Hamlets**

This capital grant is offered towards the cost of redeveloping the building. Funding is subject to regular reports.

**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**15 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2005	Movement in funds		Balance at 31 March 2006
		Incoming resources	Resources expended	
	£	£	£	£
Building fund	7,365,639	7,817,184	-	15,182,823
	<u>7,365,639</u>	<u>7,817,184</u>	<u>-</u>	<u>15,182,823</u>

The designated fund represents the value of the building work as at 31 March 2006.

**16 Analysis of net assets between funds**

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2006 are represented by:				
Tangible fixed assets	-	15,182,823	-	15,182,823
Current assets	74,359	-	1,909,543	1,983,902
Creditors: amounts falling due within one year	-	-	(453,863)	(453,863)
	<u>74,359</u>	<u>15,182,823</u>	<u>1,455,680</u>	<u>16,712,862</u>

**17 Net cash inflow from operating activities**

	2006 £	2005 £
Reconciliation to changes in resources		
Changes in resources before revaluations	6,675,439	9,883,557
Decrease/(increase) in debtors	1,366,910	(2,936,001)
(Decrease)/Increase in creditors	(1,418,611)	936,930
	<u>6,623,738</u>	<u>7,884,486</u>

**18 Reconciliation of net cash flow to movement in net funds**

	2006 £	2005 £
(Decrease)/increase in cash	(293,446)	518,847
Net funds at 1 April 2005	613,917	95,070
Net funds at 31 March 2006	<u>320,471</u>	<u>613,917</u>

**RICH MIX CULTURAL FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**19 Analysis of net cash balances**

	At 1 April 2005	Cash flow	Non-cash changes	At 31 March 2006
	£	£	£	£
Cash at bank and in hand	613,917	(293,446)	-	320,471
	<u>613,917</u>	<u>(293,446)</u>	<u>-</u>	<u>320,471</u>

**20 Contingent liabilities**

The London Borough of Tower Hamlets believe that the Rich Mix Cultural Foundation owe them a further £850,000. However, the Foundation is disputing this amount as it believes that it was not authorised or formally agreed and has therefore not recognised it in these accounts.

**21 Post balance sheet events**

Ownership of the building was transferred to Rich Mix from London Borough of Tower Hamlets and the London Development Agency in December 2006.