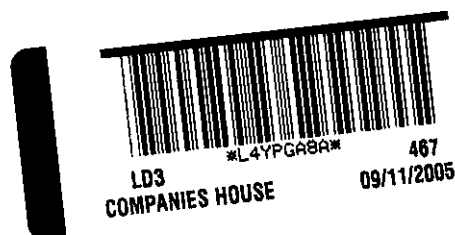


21165

Charity Registration No. 1089163

Company Registration No. 4293133 (England and Wales)

**RICH MIX CULTURAL FOUNDATION  
COMPANY LIMITED BY GUARANTEE  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2005**



# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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### **Trustees**

O King  
A Sharma  
J Pandit  
D Jones  
C Burman  
K Gaede  
R Kempadoo  
M Keith  
H Rahman  
A Qureshi  
W Alli  
R Verjee  
D Penfold

### **Secretary**

K Robbins

### **Charity number**

1089163

### **Company number**

4293133

### **Registered office**

26 Calvert Avenue  
London  
E2 7JP

### **Auditors**

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

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# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **CONTENTS**

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Statement of trustees' responsibilities	3
Independent Auditors' report	4
Statement of financial activities	5
Balance sheet	6
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# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2005**

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The trustees present their report and accounts for the year ended 31 March 2005.

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 Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

### **Objects of the charity**

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 and 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 and 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.

### **Review of activities**

This was the third operational year for the Foundation. During this accounting period, a large proportion of the development and construction costs for the completion of the Centre have been expended. Substantial grants from the Millennium Commission, Arts Council England and London Development Agency have been received to facilitate the building works.

During the period, the Foundation made a surplus of £9,883,557 (2004: £57,667), as a result of funding received for the building of the centre. This consequently increased net assets to £10,037,423 (2004: £153,866).

### **Project Summary**

The Foundation continues to plan and develop ideas for the use of the Centre in order to fulfil its aim to offer a thriving, accessible and dynamic focus for arts technology education film and music within a single building.

The building work commenced on 15 March 2004 and will finish later in the year. The Centre is scheduled to open progressively in 2006 primarily phased April through to October. The London Borough of Tower Hamlets will, upon practical completion of the centre, transfer it to the Rich Mix Cultural Foundation.

The first phase will see the cinemas open alongside an immersive environment in the foyer, visual arts space and café/bar. The other areas of the building including managed workspaces, studios, rehearsal rooms, music venue and creative learning spaces will all come online later in the year.

### **Trustees**

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  
D Jones  
C Burman  
K Gaede  
R Kempadoo  
M Keith  
H Rahman  
A Qureshi  
W Alli  
R Verjee

# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT (CONTINUED)** ***FOR THE PERIOD ENDED 31 MARCH 2005***

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D Penfold

D Penfold was appointed as a trustee on 23 March 2005.

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.

### **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. This level of reserves has been maintained throughout the period.

### **Risk factors**

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **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: .....

  
  
September 2005

# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the trustees are required to:

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

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

# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

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

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We have audited the accounts of Rich Mix Cultural Foundation

Company Limited by Guarantee for the period ended 31 March 2005 set out on pages 5 to 13. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 3, the trustees, who are also the directors of Rich Mix Cultural Foundation

Company Limited by Guarantee for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Trustees' Report is not 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 charitable company is not disclosed.

We are not required to consider whether 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.

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 United Kingdom Auditing Standards 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 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 as to whether 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 of the charitable company's state of affairs as at 31 March 2005 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.

H W Fisher & Company

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London NW1 3ER

UK

Dated: 5 September 2005

# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2005**

		Unrestricted funds	Designated funds	Restricted funds	Total 2005	Total Six months ended 2004
	Notes	£	£	£	£	£
<b><u>Incoming resources</u></b>						
Donations and legacies	2	250	-	-	250	350
Activities in furtherance of the charity's objects	3	-	-	10,326,568	10,326,568	241,906
Investment income	4	-	-	21,629	21,629	-
Other incoming resources	5	5,932	-	-	5,932	559
<b>Total incoming resources</b>		<b>6,182</b>	<b>-</b>	<b>10,348,197</b>	<b>10,354,379</b>	<b>242,815</b>
<b><u>Resources expended</u></b>						
<b>Costs of generating funds</b>						
Fundraising and publicity costs		-	-	21,290	21,290	305
<b>Charitable expenditure</b>						
Grants payable	6	-	-	-	-	1,000
Management and administration		-	-	449,532	449,532	183,843
<b>Total charitable expenditure</b>		<b>-</b>	<b>-</b>	<b>449,532</b>	<b>449,532</b>	<b>184,843</b>
<b>Total resources expended</b>	7	<b>-</b>	<b>-</b>	<b>470,822</b>	<b>470,822</b>	<b>185,148</b>
<b>Net incoming resources before transfers</b>		<b>6,182</b>	<b>-</b>	<b>9,877,375</b>	<b>9,883,557</b>	<b>57,667</b>
Transfers between funds		-	7,365,639	(7,365,639)	-	-
<b>Net income for the year/ Net movement in funds</b>		<b>6,182</b>	<b>7,365,639</b>	<b>2,511,736</b>	<b>9,883,557</b>	<b>57,667</b>
Fund balances at 1 April 2004		10,631		143,235	153,866	96,199
<b>Fund balances at 31 March 2005</b>		<b>16,813</b>	<b>7,365,639</b>	<b>2,654,971</b>	<b>10,037,423</b>	<b>153,866</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 COMPANY LIMITED BY GUARANTEE

## BALANCE SHEET AS AT 31 MARCH 2005

		2005		2004	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		8,265,639		900,000
<b>Current assets</b>					
Debtors	11	3,030,341		94,340	
Cash at bank and in hand		613,917		95,070	
		<u>3,644,258</u>		<u>189,410</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,872,474)</u>		<u>(35,544)</u>	
<b>Net current assets</b>			<u>1,771,784</u>		<u>153,866</u>
<b>Total assets less current liabilities</b>			<u>10,037,423</u>		<u>1,053,866</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>-</u>		<u>(900,000)</u>
<b>Net assets</b>			<u><u>10,037,423</u></u>		<u><u>153,866</u></u>
<b>Income funds</b>					
Restricted funds	14		2,654,971		143,235
Unrestricted funds:					
Designated funds	15		7,365,639		-
Other charitable funds			<u>16,813</u>		<u>10,631</u>
			<u><u>10,037,423</u></u>		<u><u>153,866</u></u>

The accounts were approved by the Board on 5 September 2005

  
O King  
Trustee

  
D Penfold  
Trustee

# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2005**

### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts are 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 October 2000.

#### **1.2 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.

### **2 Donations and legacies**

	2005 £	2004 £
Donations and gifts	250	350

### **3 Activities in furtherance of the charity's objects**

	2005 £	2004 £
Grants receivable for charitable activities	10,326,568	241,906

#### **Grants receivable for charitable activities**

Restricted funds:

Arts Council England	3,202,934	141,906
Spitalfields Market Community Trust	298,189	100,000
Bridge House Trust	200,000	-
Bloomberg	270,000	-
Garfield Weston	100,000	-
Gatsby	650,000	-
Millennium Commission	1,550,488	-
London Development Agency	4,054,957	-
	10,326,568	241,906

**RICH MIX CULTURAL FOUNDATION  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2005**

**4 Investment income**

	2005	2004
	£	£
Interest receivable	21,629	-

**5 Other incoming resources**

	2005	2004
	£	£
Other income	5,932	559

**6 Grants payable**

	2005	2004
	£	£
Grants to institutions (no grants)	-	1,000

# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005**

### **7 Total resources expended**

	Staff costs £	Other costs £	Total 2005 £	Total 2004 £
Costs of generating funds:				
Fundraising and publicity	-	21,290	21,290	305
Charitable expenditure:				
Grants payable	-	-	-	1,000
Management and administration	218,067	231,465	449,532	183,843
	218,067	231,465	449,532	184,843
	218,067	252,755	470,822	185,148

Management and administration costs comprise:

Rent	9,000	12,000
Computer expenses	9,173	9,938
Legal and professional	56,870	27,757
Consultancy	55,988	61,668
Recruitment	53,371	21,658
Arts Programme: East End Academy	11,362	-
Postage and stationery	6,830	-
Insurance	6,592	-
Other costs	22,279	3,319
	231,465	136,340

Management and administration costs includes payments to the auditors of £4,000 (2004- £1,850) for audit fees.

### **8 Trustees**

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

# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005**

### **9 Employees**

#### **Number of employees**

The average monthly number of employees during the period was:

	2005 Number	2004 Number
Administration	5	4

#### **Employment costs**

	2005 £	2004 £
Wages and salaries	202,296	42,953
Social security costs	15,771	4,550
	218,067	47,503

The number of employees whose annual emoluments were £50,000 or more were:

	2005 Number	2004 Number
£50,000 - £60,000	1	-

### **10 Tangible fixed assets**

	Buildings under Construction £
<b>Cost</b>	
At 1 April 2004	900,000
Additions	7,365,639
At 31 March 2005	8,265,639
<b>Depreciation</b>	
At 1 April 2004 and at 31 March 2005	-
<b>Net book value</b>	
At 31 March 2005	8,265,639
At 31 March 2004	900,000

**RICH MIX CULTURAL FOUNDATION  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2005**

11 Debtors	2005 £	2004 £
Trade debtors	7,050	3,517
Other debtors	3,021,131	90,253
Prepayments and accrued income	2,160	570
	<u>3,030,341</u>	<u>94,340</u>

12 Creditors: amounts falling due within one year	2005 £	2004 £
Trade creditors	914,158	15,041
Taxes and social security costs	31,466	-
Other creditors	900,000	-
Accruals	26,850	20,503
	<u>1,872,474</u>	<u>35,544</u>

Other creditors is 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.

13 Creditors: amounts falling due after more than one year	2005 £	2004 £
Other creditors	-	900,000
	<u>-</u>	<u>900,000</u>

# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005**

### **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:

	<b>Movement in funds</b>				
	<b>Balance at 1 April 2004</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfer to Designated fund</b>	<b>Balance at 31 March 2005</b>
	£	£	£	£	£
Arts Council England	86,477	3,202,934	(200,822)	(2,238,699)	849,890
Spitalfields Market Community	56,758	298,189	-	(222,362)	132,585
Bloomberg	-	270,000	(270,000)	-	-
Bridge House Trust	-	200,000	-	(149,142)	50,858
Garfield Weston	-	100,000	-	(74,571)	25,429
Gatsby	-	650,000	-	(484,710)	165,290
Millennium Commission	-	1,550,488	-	(1,156,212)	394,276
London Development Agency	-	4,054,957	-	(3,023,814)	1,031,143
Interest received	-	21,629	-	(16,129)	5,500
	<u>143,235</u>	<u>10,348,197</u>	<u>(470,822)</u>	<u>(7,365,639)</u>	<u>2,654,971</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.

#### **Bloomberg**

This revenue grant is offered towards the core costs of redeveloping the building.

#### **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.

# **RICH MIX CULTURAL FOUNDATION COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2005**

### **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.

### **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:

	Movement in funds			
	Balance at 1 April 2004	Incoming resources	Resources expended	Transfers
	£	£	£	£
Building fund	-	-	-	7,365,639
	-	-	-	7,365,639

The designated fund represents the value of the building work as at 31 March 2005 less any outstanding amounts owed to creditors of this project.

### **16 Analysis of net assets between funds**

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2005 are represented by:				
Tangible fixed assets	-	8,265,639	-	8,265,639
Current assets	16,813	-	3,627,445	3,644,258
Creditors: amounts falling due within one year	-	(900,000)	(972,474)	(1,872,474)
	16,813	7,365,639	2,654,971	10,037,423

### **17 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.