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Charity Registration No 1089163

Company Registration No. 4293133 (England and Wales)



CREATIVITY & INNOVATION

RICH MIX CULTURAL FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2010

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

Board Of Trustees	O King J Pandit C Burman Professor M Keith D Jones J Ogbonna R Renfro N Kamatkar T K Minhas R Sabur Cllr R Saunders S Aslam M Xia S Douglas Cllr M Chaudhury
Secretary	J Robertson
Charity number	1089163
Company number	04293133
Principal address	35 - 47 Bethnal Green Road London E1 6LA
Registered office	35 - 47 Bethnal Green Road London E1 6LA
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	National Westminster Bank 2A Charing Cross Road London WC2H 0PD
Solicitors	Russell Cooke Solicitors 2 Putney Hill Putney London SW15 6AB

RICH MIX CULTURAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
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Draft Financial Statements as at 11 October 2010
RICH MIX CULTURAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010

The Trustees present their report and accounts for the year ended 31 March 2010

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity, Rich Mix Cultural Foundation is a Company Limited by Guarantee and is governed by its Memorandum and Articles of Association. The 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 people of different racial groups, particularly by promoting events and activities to foster intercultural diversity of migrant communities and their contribution to economic and cultural life particularly by establishing Rich Mix Centre as a home for exhibitions and by collecting, preserving and exhibiting items of educational value

Key Members

The Trustees, who are also directors for the purpose of company law, who served during the year were

Board Member	Notes	Attendance (number of general meetings attended during the financial year out of a total of 4)
O King	Chair to Sept 2009	2
Shabina Aslam	Appointed 25/9/2009	1
C Burman		4
Cllr Fazlul Haque	Appointed June 2009 Resigned June 2010 LBTH nominee	0
Denise Jones		4
Niranjan Kamatkar		4
Professor Michael Keith	Vice Chair and Interim Chair from September 2009	4
Tandeep Minhas	Appointed September 2009	3
Joseph Ogbonna		3
John Pandit		3
Cllr Rachael Saunders	Appointed in June 2009 LBTH nominee	1
Andrew Wiseman	Resigned November 2009	2
Cllr Carl Harper-Penman	Resigned June 2009	
Cllr Mizanur Chaudhury	Appointed June 2010	
Rejina Sabur	Appointed March 2010	
Rebecca Renfro	Appointed March 2010	
Matthew Xia	Appointed March 2010	
Steve Douglas	Appointed March 2010	

The auditors HW Fisher & Company recommend that as standard good practice a record of attendance of the Trustees is shown as part of the Trustees report. None of the Trustees have any beneficial interest in the company. All the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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The Board of Trustees meet four times a year. Strategic decisions are made by the Board and some duties are delegated to the Finance and Buildings Sub (FABS) Committee who meet twelve times per annum. Issues and concerns around the financial robustness of the Rich Mix are considered at FABS and then taken as formal recommendations to the full Board of Trustees who ratify decisions at the board meetings.

The Board delegates operational decisions to the executive team who are also responsible for implementing the Board's decisions and for day-to-day management.

Trustee appointments

During the course of the year, the charity advertised for four new trustees to fill vacancies, and to bring in new skills and experience. The vacancies were advertised on public websites, and from 25 applications, a selection process involving a representative from Arts Council England (ACE) took place. Four new trustees were appointed bringing additional skills to the Board.

Related parties

Rich Mix Cultural Enterprises Limited is a wholly owned subsidiary of Rich Mix Cultural Foundation.

Risk factors

A comprehensive business plan was drawn up outlining operating targets and objectives. Operational results are reviewed against these targets on a monthly basis. Monitoring and evaluation of the risk within the business plan was a key objective of FABS which includes the executive team.

The main procedures in place for identifying, evaluating and managing risk are:

- A comprehensive business plan that includes forecasts of volatile income, including sensitivity analysis
- Implementing decisions at organisational, departmental and managerial levels
- Management reports weekly to Executive team, monthly to FABS and quarterly to Board to monitor results against targets,
- Contingency planning

Objects, objectives and activities

The objects of Rich Mix Cultural Foundation are continuously reviewed to ensure that they remain relevant and appropriate to the constituent parts of the organisation. The most recent review resulted in the following mission statement being approved by the Board on 23 June 2010:

Rich Mix Purpose and Vision

Rich Mix exists to be a place where the communities of the world who are the citizens of East London and beyond can come together to experience and make world class art and feel that it's a place where they belong.

We do this by using all the resources of the building, the skills of our staff, and those of our artistic partners and our tenants to create an integrated organisation which:

- supports creative and cultural industries through the use of our **managed workspaces**, and which generates a level of income which forms the bedrock of support for our charitable objectives
 - offers a **mixed arts** programme which is both **representative** of our local Tower Hamlets communities, covers all art forms, including theatre, dance, music, film and visual arts, and is **financially sustainable**
 - has a programme which reaches out to **children, schools and families**, from Tower Hamlets and beyond, to give them opportunities to see and participate in a wide range of art
 - Builds **partnerships with BME artists and organisations** in order to achieve our artistic aims, which include co-commissioning and providing a platform for established and emerging BME talent
 - uses those parts of the building which are capable of **generating income**, such as the more commercial cinema
-

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programme, catering and spaces for hires and events to provide programmes that support Rich Mix's objectives and an additional appropriate income stream to support our charitable, cultural and community activities

- re-invests our surpluses in our cultural and charitable objectives

Achievements and Performance

Rich Mix enters 2010/11 with some solid achievements over the last year including

- The developing arts and culture programme with highlights including nearly 20,000 tickets sold in 2009/10, a visual arts partnership with Autograph Lounge, and artists and speakers including: Nitin Sawhney, Soweto Kinch, Stornoway, Phil Ridley, Barbara Hulanicki, Paul Gilroy and Gary Younge
- Hosting 368 arts, cultural and education events over the year - the equivalent of one event every day of the year
- A fantastic range of tenants in the workspaces from the creative and cultural industries, both commercial and social enterprises. Occupancy has grown to almost 93 % and contribution to the budget is £281,152. Occupancy by BAME led businesses remains at target levels
- A growing cinema business, 77,592 tickets were sold for mainstream cinema in 2009/10 with ticket sales of £434,894
- Hires and events of the available space when not being used for arts and community activity, contributing £281,231 net to the budget, and which has seen high profile bookings such as John Prescott launching his New Earth Deal from Rich Mix, Elizabeth Murdoch providing Leadership Training workshops, and conferences for Business in the Community, Sky, Channel 4 and the Guardian. Hires have also brought visitors to the centre such as Prime Minister Gordon Brown, Home Secretary Alan Johnson and Sir John Hurt
- A growing profile with media and web based communication with the website receiving 1.2 million visits per year and an e-flyer sent to 6000 members. The profile in the press has also grown with articles in Time Out, Metro, the Guardian and the Telegraph
- Community engagement has developed with over 5,000 people attending educational and community events in 2009/10 and partnerships built with increasing numbers of local organisations including Bethnal Green Collaboration Project, Little Oaks Children's Centre, Tower Hamlets Summer Uni, CIDA, Tower Hamlets Lifelong Learning and Roald Dahl Museum.
- A specially commissioned My Golden Bangla event to mark Bangladeshi Independence Day with a range of art forms, in an event which brought over 400 people in to the building from the local communities, and delivered a very integrated audience
- A partnership with Barbican to offer their members an alternative destination for film whilst some of their screens are being redeveloped
- Initial successes in raising funding from trusts, with a significant grant from Garfield Weston Trust to improve the technical equipment in the Centre, to improve quality of service and to provide continuing revenue savings
- Encouraging initial audience data showing a better reach into local communities and lower income groups than the London wide benchmark

During the year a recruitment process for new trustees took place and four new members of the board were confirmed at the end of March. They come from backgrounds in corporate affairs, arts management, food writing and public relations, and with experience of leadership and performance management of large public organisations. The appointment of the new chair from within the newly constituted Board will take place in 2010.

The other significant change was the decision of the Chief Executive to move on from Rich Mix at the beginning of the year. In accepting her resignation, the Board recognised the significant contribution she had made to develop the arts offer at Rich Mix in her 2 years in the post.

Since January, Jane Earl has been Interim Director, and is likely to stay in this role until March 2011.

As part of a drive to reduce the cost base, Rich Mix has also moved towards the provision of a better, and better value for money, catering facility. The Board confirmed the decision in February to close the in-house food and beverage service and seek a commercial partner to take a short term lease of the café space for an initial period of 6 months. This process was completed in May 2010, and the new organisation began trading in June 2010. The new operator appears to be increasing footfall on the building, and achieving cost savings for Rich Mix.

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A variety of corrective actions were taken in January/ February of this year

- Reduced the monthly paid staff numbers by about 30%
- Increased prices in the cinema and bar to generate additional income from those who can afford to pay
- Changed the approach to marketing to reduce print costs , and to move more to web based and more responsive means of publicity
- Continued to re-negotiate contracts for services to reduce running costs
- Adopted a different way of procuring artists, by engaging them on a box office split basis, to share the risk , and to avoid it resting solely with Rich Mix
- Prioritised creditors to manage cashflow
- Renewed fundraising efforts supported by Board.

Financial Performance

The economic downturn, together with the challenge of establishing a new organisation has had an impact on Rich Mix. The ACE annual review of 2008/2009 identified the difficulty Rich Mix would have in trading its way out of financial difficulties, and this has proved to be the case. Reduced levels of funding, inability to generate planned levels of new external funding, and higher expenditure levels than projected in the business plan have all been areas of major concern

Total incoming resources for the year were £2,216,892 (2009 £2,321,300) and total expenditure was £2,984,895 (2009 £2,752,108)

Plans for the future

We are working with LBTH to agree a structured programme of financial support, and to build on our community outreach activities, through better links with local ward councillors and community organisations, and by supporting local initiatives which will meet the strategic aims of the Council

We will continue to work with specific trusts and foundations to support core costs for Rich Mix

Our approach to corporate organisations will be to seek corporate membership schemes, both to introduce new visitors to Rich Mix and to improve financial sustainability

We will develop our marketing materials to place more reliance on cheaper print and web based materials, and to build the Rich Mix Free approach to boost audiences, and to further develop the diversity of the audiences as measured by our mosaic audience analysis.

Our internal targets include

- improving customer service
- board development to enable each Board member to contribute their particular skills
- improved financial management, particularly forecasting and cost control
- exploring alternative business models to take the risk out of Rich Mix

How our activities deliver public benefit

Directors of a charity have a duty to report in their Annual Report on their charity's public benefit. The Trustees of Rich Mix Cultural Foundation have considered the requirements which are explained on the Charity Commission website. The sections above set out Rich Mix Foundation's objectives and report on the activity and successes for the year to March 2010 as well as explaining the plans for the current financial year. To this end, the Trustees have complied with their duty in section 4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission

Draft Financial Statements as at 11 October 2010
RICH MIX CULTURAL FOUNDATION
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Reserves Policy

It is the policy of the charity that the aim should be 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. Whilst the trustees recognize that this is not the case now, the trading situation in the early part of 2010/11, together with some additional grant funding is helping to move to the position we aim for.

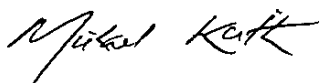
Disclosure of information to auditors

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

The auditors, H W Fisher & Company, are deemed reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board of trustees



M Keith

Trustee

Dated 11th December 2010

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

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 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 operation

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 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

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

We have audited the group accounts of Rich Mix Cultural Foundation for the year ended 31 March 2010 set out on pages 8 to 20. These accounts have been prepared under the accounting policies set out on pages 11 to 12.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its 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 6, the trustees, who are also the directors of Rich Mix Cultural Foundation for the purposes 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) and for being satisfied that the accounts give a true and fair view. 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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with those accounts.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's accounts 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 trustees' remuneration specified by law are not made.

We read the Trustees' 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 accounts. It also includes an assessment of the significant estimates and judgements made 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 of the state of affairs of the group and of the charity as at 31 March 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the accounts have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Report is consistent with the accounts.

S P Mehta (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company
Chartered Accountants and Statutory Auditor
Acre House
11 - 15 William Road
London
NW1 3ER
United Kingdom

Dated
15 December
2010

RICH MIX CULTURAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010

		Unrestricted funds	Designated funds	Restricted funds	Total 2010	Restated Total 2009
	Notes	£	£	£	£	£
<u>Incoming resources from generated funds</u>						
Incoming resources from charitable activities	4	1,078,389	-	26,475	1,104,864	1,257,523
Voluntary income	2	-	-	-	-	-
Primary purpose trading	13	1,046,803	-	-	1,046,803	1,052,383
Investment income	3	39	-	-	39	2,801
Other incoming resources	5	65,186	-	-	65,186	8,593
Total incoming resources		2,190,417	-	26,475	2,216,892	2,321,300
<u>Resources expended</u>						
	6					
Artistic and cultural		1,737,903	341,419	26,475	2,105,797	1,887,705
Primary purpose trading		860,071	-	-	860,071	851,653
Governance costs		13,028	-	-	13,028	12,750
Total resources expended		2,611,002	341,419	26,475	2,978,896	2,752,108
Net incoming resources before transfers		(420,585)	(341,419)	-	(762,004)	(430,808)
Transfers between funds		-	-	-	-	-
Net income for the year / Net movement in funds		(420,585)	(341,419)	-	(762,004)	(430,808)
Fund balances at 1 April 2009		(329,518)	16,729,514	-	16,399,996	16,830,804
Fund balances at 31 March 2010		(750,103)	16,388,095	-	15,637,992	16,399,996

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

RICH MIX CULTURAL FOUNDATION
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CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 MARCH 2010

		Group		Charity	
	Notes	2010	2009	2010	2009
		£	£	£	£
Fixed assets					
Tangible assets	12	16,491,354	16,841,532	16,491,354	16,841,532
Investments	13	-	-	1	1
		<u>16,491,354</u>	<u>16,841,532</u>	<u>16,491,355</u>	<u>16,841,533</u>
Current assets					
Stocks		6,100	15,435	-	-
Debtors	16	87,275	119,699	59,341	187,916
Cash at bank and in hand		47,356	(26,471)	125,039	(31,799)
		<u>140,731</u>	<u>108,663</u>	<u>184,380</u>	<u>156,117</u>
Creditors: amounts falling due within one year	17	<u>(994,093)</u>	<u>(550,199)</u>	<u>(848,185)</u>	<u>(401,664)</u>
Net current liabilities		<u>(853,362)</u>	<u>(441,536)</u>	<u>(663,805)</u>	<u>(245,547)</u>
Net assets		<u>15,637,992</u>	<u>16,399,996</u>	<u>15,827,550</u>	<u>16,595,986</u>
Funds					
Restricted funds	18	-	-	-	-
Unrestricted funds					
Designated funds	19	16,388,095	16,729,514	16,388,095	16,729,514
Other charitable funds		(750,103)	(329,518)	(560,545)	(133,528)
		<u>15,637,992</u>	<u>16,399,996</u>	<u>15,827,550</u>	<u>16,595,986</u>

The accounts were approved by the Board of Trustees on 11 December 2010


M. Keith
Trustee


T. Minhas
Trustee

RICH MIX CULTURAL FOUNDATION
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GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
Net cash inflow/(outflow) from operating activities	21	104,992	(99,088)
Capital expenditure			
Payments to acquire tangible fixed assets		<u>(31,165)</u>	<u>(124,843)</u>
Net cash outflow from capital expenditure		(31,165)	(124,843)
Increase/(Decrease) in cash	22	<u>73,827</u>	<u>(223,931)</u>

RICH MIX CULTURAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards

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

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Rich Mix Cultural Enterprise Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by paragraph 397 of SORP 2005

1.2 Incoming resources

Primary purpose trading

Income from the cinema, food and drink sales and exhibition income is included in the period when the service is provided

Grants and donations receivable

Grants and donations, including those for the purchase of fixed assets, are recognised in incoming resources in the year in which they are receivable, except as follows

Voluntary income

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

Interest receivable

Interest is included when receivable by the charity

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

Freehold building	2% Straight line
Fixtures, fittings and equipment	20% Straight line

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

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 be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of overheads and support costs

2 Voluntary income

	Total 2010 £	Total 2009 £
Donations and legacies	-	-

3 Investment income

	Total 2010 £	Total 2009 £
Interest receivable	39	2,801

4 Incoming resources from charitable activities

	Total 2010 £	Total 2009 £
Arts Council	685,573	687,550
Glaxo SmithKline	-	175,000
London Borough of Tower Hamlets	-	100,000
London Development Agency	-	28,548
Rental income	284,029	215,900
Ticket sales	108,787	33,312
Sundry grants	26,475	17,213
	1,104,864	1,257,523

5 Other incoming resources

	Total 2010 £	Restated Total 2009 £
Other income	65,186	8,593

RICH MIX CULTURAL FOUNDATION
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

6 Resources expended

		Staff costs £	Other costs £	Total 2010 £	Total 2009 £
Costs of generating voluntary income					
Artistic and cultural	7	731,903	1,373,894	2,105,797	1,887,705
Primary purpose trading	13	377,594	482,477	860,071	851,653
Governance	8	-	13,028	13,028	12,750
		<u>1,109,497</u>	<u>1,869,399</u>	<u>2,978,896</u>	<u>2,752,108</u>

Governance costs includes payments to the auditors of £9,000 (2009 £9,400) relating to the 2010 audit and £4,028 (2009 £3,350) relating to other services

7 Other costs (Artistic and cultural)

	Total 2010 £	Total 2009 £
Advertising	130,881	100,897
Computer expenses	75,018	149,005
Legal and professional	38,140	52,945
Consultancy	33,319	71,642
Training and recruitment	13,467	23,957
Programme costs	279,004	89,919
Light and heat	115,629	101,390
Postage and stationery	40,702	28,083
Insurance	39,092	70,793
Other costs	56,897	37,849
Telephone	21,946	14,718
Bank charges	4,204	516
Bad debts	-	5,074
Maintenance	144,252	146,571
Depreciation	381,343	375,110
	<u>1,373,894</u>	<u>1,268,469</u>

8 Governance costs

	Total 2010 £	Total 2009 £
Other governance costs comprise		
Audit and accountancy	13,028	12,750
	<u>13,028</u>	<u>12,750</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, nor were they reimbursed any expenses

RICH MIX CULTURAL FOUNDATION
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

10 Employees and employment costs

Number of employees

The average monthly number of employees during the year was

	2010	2009
Rich Mix Cultural Foundation	24	17
Rich Mix Cultural Enterprises Ltd	49	39
	<u>73</u>	<u>56</u>

Employment costs

Rich Mix Cultural Foundation	2010 £	2009 £
Wages and salaries	676,132	572,220
Social security costs	55,771	47,016
	<u>731,903</u>	<u>619,236</u>

Rich Mix Cultural Enterprises Ltd

Wages and salaries	354,883	286,913
Social security costs	22,711	20,807
	<u>377,594</u>	<u>307,720</u>

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

	2010	2009
£60,000 - £70,000	<u>1</u>	<u>1</u>

11 Taxation

Rich Mix Cultural Foundation is a charity registered in England and Wales and has no liability to corporation tax. Its wholly-owned subsidiary, Rich Mix Cultural Enterprises Limited, donates any taxable profits to Rich Mix Cultural Foundation under gift aid and so no corporation tax liability arises

RICH MIX CULTURAL FOUNDATION
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NOTES TO THE ACCOUNTS (CONTINUED)
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12 Tangible fixed assets
Group and charity

	Fixtures and Fittings £	Freehold Land and Building £	Total £
Cost			
At 1 April 2009	165,044	17,070,933	17,235,977
Additions	31,165	-	31,165
At 31 March 2010	196,209	17,070,933	17,267,142
Depreciation			
At 1 April 2009	53,026	341,419	394,445
Charge for the year	39,924	341,419	381,343
At 31 March 2010	92,950	682,838	775,788
Net book value			
At 31 March 2010	103,259	16,388,095	16,491,354
At 31 March 2009	112,018	16,729,514	16,841,532

The property has several debentures and legal charges secured upon it by the organisations that helped donate the money to acquire, refurbish and furnish it

These include The Millennium Commission, The LDA, The Arts Council of England and The London Borough of Tower Hamlets

RICH MIX CULTURAL FOUNDATION
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NOTES TO THE ACCOUNTS (CONTINUED)
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13 Investments

The Rich Mix Cultural Foundation has a £1 investment in Rich Mix Cultural Enterprises Limited which is a wholly owned subsidiary. Rich Mix Cultural Enterprises Limited is a company registered in England which provides theatrical and entertainment facilities. Its results are set out below:

	Year ended 31 March 2010 £
Turnover	1,046,803
Cost of sales	(781,512)
Administrative expenses	(78,559)
Other income	3
Profit for the year before tax	<u>186,735</u>
Shown in the consolidated accounts, net of management charges receivable from Rich Mix Cultural Foundation of £180,303 (2009 £176,656) as	
Incoming resources from charitable activities	1,046,803
Other income	3
Costs of generating funds	(860,071)
Tax charge for year	-
Net surplus	<u>186,735</u>
	2010 £
Rich Mix Cultural Enterprises assets, liabilities and reserves	
Assets	52,053
Liabilities	(241,610)
Capital and reserves	<u>(189,557)</u>

14 Results of Rich Mix Cultural Foundation

The results of Rich Mix Cultural Foundation, excluding those of its wholly owned subsidiary Rich Mix Cultural Enterprises Limited, are as follows:

	31 March 2010 £	31 March 2009 £
Total incoming resources	1,350,389	1,267,774
Total resources expended	(2,118,825)	(1,723,799)
Deficit for the year	<u>(768,436)</u>	<u>(456,025)</u>

RICH MIX CULTURAL FOUNDATION
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

15 Stock

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Cinema and café stock	6,100	15,435	-	-

16 Debtors

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	56,074	42,591	33,518	18,949
Other debtors	6,095	29,920	6,095	22,324
Amounts owed by group undertakings	-	-	-	110,746
Prepayments and accrued income	25,106	47,188	19,728	35,897
	87,275	119,699	59,341	187,916

17 Creditors: amounts falling due within one year

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	311,297	400,720	246,962	291,889
Taxes and social security costs	37,213	24,692	10,009	15,628
Other creditors	13,266	9,203	13,266	9,203
Amounts owed to group undertakings	-	-	18,019	-
Accruals and deferred income	632,317	115,584	559,929	84,944
	994,093	550,199	848,185	401,664

RICH MIX CULTURAL FOUNDATION
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

18 Restricted funds

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

Group and charity

	Balance at 1 April 2009 £	Incoming resources £	Resources expended £	Balance at 31 March 2010 £
Telford Homes	-	10,000	(10,000)	-
Arts Council - National festival of learning	-	9,975	(9,975)	-
Arts Council - Free theatre initiative	-	6,000	(6,000)	-
London Borough of Tower Hamlets	-	500	(500)	-
	-	26,475	(26,475)	-

Telford Homes

This grant is towards the cost of a graffiti project

Arts Council - National festival of learning

This grant is provided towards the cost the Learning revolution festival

Arts Council - Free theatre initiative

This grant is provided towards the cost of the Free theatre initiative scheme

London Borough of Tower Hamlets

This grant is provided towards the cost of the Posters & poetry visual art exhibition

RICH MIX CULTURAL FOUNDATION
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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

19 Designated funds

The income

	Balance at 1 April 2009 £	Movement in funds		Transfers	Balance at 31 March 2010 £
		Incoming resources £	Resources expended £	£	
Building fund	16,729,514	-	(341,419)	-	16,388,095
	<u>16,729,514</u>	<u>-</u>	<u>(341,419)</u>	<u>-</u>	<u>16,388,095</u>

The designated fund represents the value of the building as at 31 March 2010.

20 Analysis of net assets between funds

	Designated funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2010 are represented by:			
Tangible fixed assets	16,388,095	103,259	16,491,354
Current assets	-	140,731	140,731
Creditors amounts falling due within one year	-	(994,093)	(994,093)
	<u>16,388,095</u>	<u>(750,103)</u>	<u>15,637,992</u>

21 Net cash inflow from operating activities

	2010 £	2009 £
Reconciliation to changes in resources		
Changes in resources before revaluations	(762,004)	(430,808)
Add back depreciation	381,343	375,110
Loss on disposal	-	-
Decrease in debtors	32,424	55,342
Decrease/(Increase) in stock	9,335	(4,826)
Increase/(Decrease) in creditors	443,894	(93,906)
	<u>104,992</u>	<u>(99,088)</u>

RICH MIX CULTURAL FOUNDATION
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22 Reconciliation of net cash flow to movement in net funds	2010	2009
	£	£
Decrease/increase in cash	73,827	(223,931)
Net funds at 1 April 2009	(26,471)	197,460
Net funds at 31 March 2010	47,356	(26,471)

23 Analysis of net cash balances	At 1 April	Cash flow	Non-cash	At 31 March
	2009		changes	2010
	£	£	£	£
Cash at bank and in hand	(26,471)	73,827	-	47,356
	(26,471)	73,827	-	47,356

24 Intercompany transactions and balances

At the year end Rich Mix Cultural Foundation owed £18,019 to (2009 owed £110,746 by) Rich Mix Cultural Enterprises Limited, its wholly-owned subsidiary

25 Post balance sheet events

On 23 September 2010, Rich Mix Cultural Foundation entered into an agreement with the London Borough of Tower Hamlets, under a Section 106 Agreement relating to a development at 32-42 Bethnal Green Road, to reach certain performance targets in exchange for up to £2,070,482. This service level agreement is over a three year term.