

**RICH MIX CULTURAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

**Charity registration No. 1089163
Company registration No. 4293133 (England and Wales)**

RICH MIX CULTURAL FOUNDATION

Report and Financial Statements for the year ended 31 March 2015

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Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

Trustee	Notes	Attendance (number of general meetings attended during the financial year out of a total of 5)
Shamim Azad		3
Shazia Ali-Weber	Maternity leave	1
Chila Burman		3
Mizanur Chaudhury	Resigned 15 December 2014	0
Steve Douglas		3
David Harris	Resigned 15 December 2014	2
Jim Hollington		3
Denise Jones		5
Niranjan Kamatakar		3
Michael Keith	Chair	4
Tandeep Minhas	Vice Chair	4
Joseph Ogbonna		4
John Pandit		2
Cllr. Rachael Saunders	Resigned 15 December 2014	1

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

Legal and administrative details

Rich Mix Cultural Foundation, commonly known as Rich Mix, is a company limited by guarantee and a registered charity.

Chief Executive Jane Earl

Company Secretary David Lewis

Registered address 35-47 Bethnal Green Road, Shoreditch, London, E1 6LA
This is also the principal operating address.

Company number 4293133

Charity number 1089163

Auditors Kingston Smith LLP, Devonshire House, 60 Goswell Road,
London EC1M 7AD

Bankers National Westminster Bank PLC, 180 Shoreditch High Street,
London E1 6HN

Solicitors Latham & Watkins (London) LLP, 99 Bishopsgate, London EC2M 3XF

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Trustees' Report for the year ended 31 March 2015

The Trustees present their report and accounts for the year ended 31 March 2015.

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, the Charities Act 2011 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, which were refreshed in 2010. 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.

The Board of Trustees meet four times a year. All strategic decisions are made by the Board. Individual Board members also act as sounding boards to the executive team on various topics of their special skills and interests and act as advocates for the organisation. Over the last year this included support to members of the Rich Mix team in areas such in heritage and archive creation, marketing, communications, fundraising, training, arts and international contacts and strategic planning. The contacts provided by Board members have also been invaluable.

The Finance and Buildings Sub (FABS) Committee met 8 times during the year to provide continuity of oversight between the full Board meetings. It has responsibility for the oversight of the financial management of the organization. Any issues or concerns around the financial strategy for Rich Mix are considered at FABS and then taken as formal recommendations to the full Board of Trustees who consider and ratify decisions at the Board meetings.

During the year, the Board also met for a special session with the wider staff team to look at longer term strategy and to review the future mission and areas of priority work.

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 of the charity and the trading subsidiary.

Trustee appointments

During the course of the year David Harris resigned from the Board and from FABS as a result of his transfer to work in New York.

The other two trustee changes during the year resulted from the right of LB Tower Hamlets to appoint two Directors to the Board. Councillors Rachael Saunders and Mizanur Chaudry had been the nominations to the Board for a number of years and both made a significant contribution to the work of the charity. In December 2014, the Council informed us that the nominations had been changed, and Ms Saunders and Mr Chaudry therefore resigned from the Board. Rich Mix is grateful to both of them.

The two new Council nominees Cllr Abjol Miah and Cllr Mahbub Alam have not yet provided the necessary details to enable them to be registered as Directors of the company, nor have they attended any meetings.

Related parties

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

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Trustees' Report for the year ended 31 March 2015 (continued)

Risk management

A comprehensive business plan was drawn up outlining operating targets and objectives. Operational results continue to be reviewed by the team on an individual and a collective basis against these targets on a monthly and quarterly basis. The approach to risk management was also further developed as part of the process which produced the successful application to ACE for continued inclusion in their National Portfolio of funded organisations.

Monitoring and evaluation of the risk within the business plan has continued to be a key objective of FABS in partnership with 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
- A monthly process of evaluation of the costs and sales of the events we run and their fit against our strategic objectives
- 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
- Regular visitor surveys to evaluate and improve customer service levels
- 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. There have been a number of reviews, the most recent of which lead to a re-confirmation by the Board when they met in January 2015 to review the detailed business plan for the next three years.

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.

Our mission remains to be a place where the communities of the world who live in east London can come together to make and experience art and feel that it's a place where they belong. And our strategic objectives, which help us to make our choices and guide our actions remain the same; excellent art, delivered in a way, which is financially sustainable, to increasing and increasingly diverse audiences.

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

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Trustees' Report for the year ended 31 March 2015 (continued)

- uses those parts of the building which are capable of generating income, such as the more commercial cinema programme, catering and spaces for hires and events to provide programmes that support Rich Mix's objectives and an addition 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 has continued to make good progress in achieving our goal and mission as set out in our business plan for 2014/15, and in delivering on our charitable objectives.

As an organisation where art and diversity are at the heart of our mission, we have continued to run our building in a way which offers wide access to all groups within the community to be able to come and experience great art and to see themselves, their histories and cultures represented. Given our charitable status we have focused on developing a sustainable business model which reduces our reliance on public sector grant funding and, at the same time, ensures that the building is used to its maximum capacity to support artists and to develop new and innovative work.

We measure our success in a number of ways. Our reputation in the arts sector, with our local community and with our potential funders has continued to develop, and our continued inclusion in Arts Council England's National Portfolio for a further three years is a clear recognition of this growing reputation.

Our ticket sales over the past year have held up well, and have continued to grow, against the trend for many other arts organisations in these recessionary times. Our total ticket sales were 135,345, and we estimate that over 35,000 people have accessed our free events.

Our most recent Mosaic analysis of the address data for those buying tickets confirms that we continue to reach a diverse audience, many of whom are not traditional arts attenders. We are continuing to improve our methods for monitoring our impact through better data capture, an improved box office service, and new marketing approaches. All of this give us a positive expectation that these trends will continue into 2014/15.

Key metrics for 2014/15 include:

- Offered over 750 Arts & Culture, Educational and Film events, of which over 200 were free to access;
- Sold almost 39,000 tickets for paid Arts & Culture events;
- Ran events for children schools and families which reached 5,227 children, young people and adults;
- Sold 96,650 cinema tickets
- Continued and expanded our discounted cinema ticket scheme for local people with over 4,560 tickets sold as part of our Film for a fiver scheme in partnership with LBTH ideas stores
- Continued discounted pricing for our education and schools events for LBTH residents as part of our drive to build local audiences.
- Supported 143 different companies and artists by providing 4521 hours' worth of free rehearsal space with a value of £314,500 (at commercial hire rates). The majority of the work developed in our building during 2014/2015 was then seen as part of our Made@Rich Mix performing arts programme, including our flagship "Small Stories, Big City" season, of entirely new work focused on city life.
- Provided a home for 20 creative businesses with a turnover of over £23 million, and which support over 320 jobs. These businesses are mix of charities and commercial organisations all of whom make a contribution to the artistic life of the building as well as covering a significant amount of the fixed costs to run the building. 100% of the available space has been full for the past two years.

We have hosted a range of artistic highlights over the year. In June and July 2014, to coincide with the World Cup in Brazil, we programmed a free Brazilian Festival called Joga Bola, which reached over 10,000 people. The festival included 29 live events, headline shows from UK and Brazil based artists including Giles Peterson, Tulipa and Graveola, a street art exhibition from Sao Paulo based SHN Collective, theatre and

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Trustees' Report for the year ended 31 March 2015 (continued)

dance, and young people's workshops. This free festival of football, music, arts and culture allowed us to reach a diverse and new audience.

Our Arts Council funding has allowed us to develop strong relationships with leading music promoters including Serious and Soundcrash. As a result, 2014/2015 saw a significant step increase in the quality of our music programme, including 10 shows as part of the EFG London Jazz Festival in November 2014, shows by international artists including Ebo Taylor and Somi, and a sell-out show from Mercury Prize nominees Gogo Penguin.

The Rich Mix Youth Takeover was a free three week festival dedicated to local 16-25 year olds, which was made up of creative workshops, live music events, fashion shows, film screenings, panel discussions, industry advice and more. Throughout August 2014 there were more than 30 activities and over 2600 people took part in workshops or attended events, an increase of 25% on 2013's festival. 63% of attendees were BAME young people.

We are especially proud that as well as cementing our partnerships with NPOs such as Serious and Barbican and seeing an increase in the quality of work programmed at the venue, this has been matched by representation in our artistic programme from BAME artists, who in 2014/2015 comprised over 70% of the artists who featured at Rich Mix.

We have developed a positive reputation for our work in the fields of contemporary dance and emerging theatre with an accessible programme of work, which is seeing increasing audiences. And our work with groups such as the South Asian Womens' Creative Collective has offered a space and a platform for new and international work.

Our work with schools and young people has developed further, and we are proud to have built links with 39 schools this year, of which 21 are from LB Tower Hamlets. This have included world class arts projects with Brazilian and Bangladeshi artists. We have also supported students in curriculum based activities and mentoring. And, through the recruitment of our new cadre of Young Ambassadors, we have given a number of local young people the chance to develop their skills in curating , performing and producing.

All of our Arts and Culture work continues to be rooted in the objectives we first outlined in 2012. We are particularly proud that over 70% of our events were led by artists from Black and minority ethnic backgrounds, and that of our rehearsal space offer , 56% has also been offered to artists from similar backgrounds.

Staff and Management changes over the year include:

Our entrepreneurial business model, which only relies on 12 % of public funding via ACE continues to mean that the organisation operates with a tight management structure. We know from benchmarking work with other arts organisations that the Rich Mix staffing structure is extremely lean.

Over the past year we have continued with the existing management structure although, with grant support from the Creative Employment programme, we have been able to take on a small number of paid interns, offering development opportunities for a range of young people.

Our senior leadership team has continued in post with the only change being in our Head of Marketing role. The new appointment has proved to be a great addition to the team,

We have also supported and developed some of our front of house colleagues with additional training during the past year and have seen the benefits with improved levels of customer service. Internal promotions to our team of Duty Managers and supervisors has also helped to deliver good customer service and build capacity to help us with the increasing levels of activity within the building.

The whole team has performed strongly over the year, and the Board is grateful to all of them for their enthusiasm and collective effectiveness in delivering on the Rich Mix mission.

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Trustees' Report for the year ended 31 March 2015 (continued)

London Borough of Tower Hamlets

A key plank in our plans to secure the long-term financial sustainability of the Foundation was the decision of the Strategic Development Committee of London Borough of Tower Hamlets on 2 August 2010 to make the £2.1 million due from the cultural aspects of section 106 payments arising from a residential development on a neighbouring Bethnal Green Road site over to Rich Mix, subject to us meeting targets for performance. The first tranche of £500k was received in 2010/11 and the accounts for the year ended 2012/13 included a debtor of £1,046,990 for further tranches which Rich Mix considered due in 2011/12 and 2012/13. In spite of lengthy discussions LBTH have been unwilling to agree specific performance targets acceptable to both parties and no further payments have been received. Due to uncertainty surrounding the timing of receipt of these monies the accounts include an exceptional provision against the debtor, as set out in note 9 to the accounts. This debtor and the final balance of £546,988 originally due in 2013/14 is recorded as a contingent asset as set out at note 19 to the accounts. There is also a contingent liability as set out at note 20 to the accounts in regards to a potential repayment of monies to LBTH of up to £850,000, which the Trustees do not believe is repayable. Negotiations in regards to the settlement of these monies are ongoing and until such time as agreement is reached, there is an inherent uncertainty as to the quantum of the outcome and the timing of this.

The Trustees are committed to continuing to taking appropriate action to ensure receipt of the monies under the terms of the 2010 decision by LBTH's Strategic Development Committee, and are seeking to have that decision reconfirmed. The Trustees are satisfied that in the interim and until the negotiations are settled, the charity will have sufficient resources to meet its liabilities as they fall due and to continue in operational existence.

The Trustees are immensely grateful to the partners and staff of Latham and Watkins LLP and Seb Oram of Paper Buildings chambers for their generous pro bono work acting on behalf of the Charity in this matter.

Financial review

The work done in refocusing our arts and culture programme, cost control and improving our trading activities means that the General Fund surplus exceeded the budgeted target by £95,096. We achieved a General Fund surplus for the year of £175,349 (2013/14: £166,803 before exceptional item) and overall net outgoing resources of £114,295 (2013/14: £198,907 before exceptional item) and a net operating surplus of £271,503 excluding depreciation on fixed assets charged through Designated capital funds in the year. Total incoming resources for the year were £2,818,042 (2013/14: £2,738,080) and total expenditure was £2,932,337 (2013/14: £2,936,987 excluding exceptional item).

The group's results for the year were greatly helped by the financial performance of Rich Mix's wholly owned trading subsidiary, Rich Mix Cultural Enterprises Limited, which operates our mainstream cinema programme, commercial event hires and bar operations. Rich Mix Cultural Enterprises Limited's operating surplus for the year of £612,996 before management charges exceeded business plan by £47,996 (8.5%) on turnover of £1,576,176. We also saw a strong performance in income earned from the tenanted workspaces, which are currently at 100% of available capacity.

We are continuing to build relationships with trusts and corporate partners to support the developing programme and to seek pro bono support to reduce the costs to Rich Mix wherever possible. During the year individuals, corporate sponsors and key trusts and foundations contributed a total of £175,020 towards programme costs, an increase of 10% over 2013/14. The Board wishes to express its thanks to all our funders, donors and sponsors for their generous support:

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Trustees' Report for the year ended 31 March 2015 (continued)

Key supporters:

Aldgate and Allhallows Barking
Exhibition Foundation
Arts Council England
Ashurst LLP
Baskin Family Foundation
Bertha Foundation

Biffa Award The British Land
Company PLC
Canary Wharf Plc
Creative & Cultural Industries Ltd
Embassy of Brazil
Esmee Fairbairn Foundation

Garfield Weston Foundation
Helen Hamlyn Trust
Latham & Watkins LLP
Royal Bank of Scotland
Red Bull
Telford Homes Plc

Plans for the future

We are continuing to work with departments and services of LBTH on initiatives which benefit the local community and which support the strategic objectives of the Council.

We are delighted to have been notified of continuing ACE funding at current levels under the National Portfolio Organisation funding programme for 2015-2018. ACE's performance assessment of the way we have used their investment is positive and we continue as a Board to be grateful to ACE for their continued support. The Board are confident that the Foundation's business model is robust enough to build on our success in achieving our aims and objectives.

Our strategic objectives for the period from 2015/16 are:

1. To deliver a world-class artistic programme that reflects, and is accessible to, the diverse communities who live in East London.
2. To strengthen our financial position by maximising usage of and income from the spaces in the building and by reducing costs wherever possible.
3. To build our audience numbers and our reach to target groups - especially our local communities - which includes improving our marketing and customer service.

Our plans to achieve these objectives for 2015/16 include:

- Further development of the arts and culture programme.
- Continued support to artists through the gift of space to enable them to develop new work.
- Partnerships with local organisations such as the Tower Hamlets Arts and Music Education Service to offer space for music performances and outreach to local schools.
- Continuing and developing discounted ticket schemes to encourage new and local audiences.
- Maintaining the relentless focus on reducing the costs of our overheads to enable us to increase the range and volume of our arts and cultural activities and the impact of our charitable activities.

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 2014 as well as explaining the plans for the current financial year. To this end, the Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

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, approximately £700,000. As at 31 March 2015 these are £111,027. In addition, the Trustees' objective is to establish a Buildings & Equipment Maintenance Fund of a further £500,000 to ensure sufficient money is set aside to meet any major maintenance costs not likely to be met out of income if and when they arise. The payments of the LBTH S.106 monies are of significant importance in reaching the position we aim for. We

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Trustees' Report for the year ended 31 March 2015 (continued)

will continue to keep this policy under review in line with the operational guidance No.43 (Charity Income Reserves) issued by the Charity Commission.

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, Kingston Smith LLP, are deemed reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the board of trustees

Michael Keith

Trustee

Dated: 28 September 2015

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 financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

Independent auditor's report to the members and trustees of Rich Mix Cultural Foundation

We have audited the financial statements of Rich Mix Cultural Foundation for the year ended 31st March 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement (set out on page 7) the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Independent auditor's report to the members and trustees of Rich Mix Cultural Foundation
(continued)

RICH MIX CULTURAL FOUNDATION

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Sandra de Lord (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor
Devonshire House, 60 Goswell Road, London EC1M 7AD

Dated:

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

RICH MIX CULTURAL FOUNDATION

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Incoming Resources						
From generated funds:						
Voluntary income - grants & donations	2	425,835	108,987	90,923	625,754	499,383
Activities for generating funds:						
Commercial trading operations	3	1,576,176	-	-	1,576,176	1,659,380
Investment income	4	1,068	-	-	1,068	231
From charitable activities	5	615,053	-	-	615,053	579,086
Total incoming resources		2,618,132	108,987	90,923	2,818,042	2,738,080
Resources Expended						
Costs of generating funds:						
Fundraising costs of grants & donations	6	3,261	279	-	3,540	3,603
Commercial trading operations	3	963,268	-	-	963,268	961,525
		966,529	279	-	966,808	965,128
Charitable activities	6	1,460,135	384,681	103,756	1,948,572	1,955,394
Exceptional item	9	-	-	-	-	1,046,990
Governance costs	6	16,119	838	-	16,957	16,465
Total resources expended		£ 2,442,783	£ 385,798	£ 130,756	£ 2,932,337	£ 3,983,977
Net movement in funds		175,349	(276,811)	(12,833)	(114,295)	(1,245,897)
Reconciliation of funds						
Total funds brought forward		33,332	15,127,093	27,833	15,188,258	16,434,155
Transfers between funds		(97,654)	97,654	-	-	-
Total funds carried forward	15-17	£ 111,027	£14,947,936	£ 15,000	£15,073,963	£15,188,258

All amounts relate to continuing activities.
All recognised gains and losses are included above.

RICH MIX CULTURAL FOUNDATION

	Notes	Group		Charity	
		2015 £	2014 £	2015 £	2014 £
Fixed assets					
Tangible assets	10	15,001,603	15,195,088	15,001,603	15,195,088
Investments	3	-	-	1	1
		<u>15,001,603</u>	<u>15,195,088</u>	<u>15,001,604</u>	<u>15,195,089</u>
Current Assets					
Stocks	11	16,421	14,114	-	-
Debtors	12	224,157	126,630	190,734	82,298
Cash at bank & in hand		268,285	343,499	171,765	157,976
		<u>508,863</u>	<u>484,243</u>	<u>362,499</u>	<u>240,274</u>
Creditors: amounts falling due within 1 year	13	(436,503)	(491,073)	(291,288)	(248,253)
Net current assets/(liabilities)		<u>72,360</u>	<u>(6,830)</u>	<u>71,211</u>	<u>(7,979)</u>
Net assets		<u>£15,073,963</u>	<u>£15,188,258</u>	<u>£15,072,815</u>	<u>£15,187,110</u>
Funds					
Restricted funds	15	15,000	27,833	15,000	27,833
Unrestricted funds:					
Designated funds	16	14,947,936	15,127,093	14,947,936	15,127,093
General funds	17	111,027	33,332	109,879	32,184
		<u>£15,073,963</u>	<u>£15,188,258</u>	<u>£15,072,815</u>	<u>£15,187,110</u>

The trustees have prepared group accounts in accordance with Schedule 2A of the Charities Act 1993. These accounts are prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board and authorised for issue on 28 September 2015 and signed on its behalf by:

Michael Keith
Trustee

Registered Company No. 4293133
Registered Charity No. 1089163

The notes on pages 13 to 19 form part of these financial statements.

RICH MIX CULTURAL FOUNDATION

1 Accounting Policies

- (a) **Basis of Accounting:** The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006 which have been applied consistently throughout the year. They also follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

Consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiary Rich Mix Cultural Enterprises Ltd on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, is not presented for the charity itself following the exemptions afforded by section 408 of Part 15 of the Companies Act 2006 relating to small companies and paragraph 397 of SORP 2005. The charity's gross income for the year was £1,854,774 (2013/14: £1,776,555) and gross expenditure was £1,969,069 (2013/14: £3,022,452).

Exceptional item

The accounts include a provision against a debtor of £1,046,900 due from London Borough of Tower Hamlets in respect of a payment of section 106 monies, as detailed at note 9 to the accounts. This debtor, together with the remaining balance of £546,988, are now treated as a contingent asset as set out at note 19 to the accounts. There is also a contingent liability as set out at note 20 to the accounts in regards to a potential repayment of monies to London Borough of Tower Hamlets of up to £850,000. Negotiations in regards to the settlement of these monies due both to and from the Borough are ongoing and until such time as agreement is reached, there is an inherent uncertainty as to the quantum of the outcome and the timing of this.

Going Concern

The Trustees are satisfied that in the interim and until negotiations with LBTH are settled, the charity will have sufficient resources to meet its liabilities as they fall due and to continue in operational existence. Having carefully considered these matters the trustees believe it is appropriate for the financial statements to be prepared on a going concern basis.

- (b) **Depreciation** is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates used are as follows:

Long leasehold property:	2% per annum on cost
Freehold property:	2% per annum on cost
Equipment, fixtures and fittings:	20% per annum on cost

Tangible fixed assets with a cost greater than £500 are capitalised at cost.

- (c) All **grants receivable** for the period are treated as income in the period and all the expenditure is written off in the period in which it is incurred. Expenditure on major capital projects is capitalised and any associated grants received are treated as income for the period and dealt with through the Statement of Financial Activities as restricted capital funds.
- (d) **Resources expended** directly in relation to an area of activity are allocated to that activity. Indirect, or support costs consist of central salaries, premises, depreciation and administration costs. These are allocated on a reasonable and consistent basis - influenced by the amount of staff time devoted to, and floor area occupied by, each such activity - as set out in Note 6.

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

- (e) **Fund Accounting:** Funds held by the charity are either:

- **Unrestricted general funds** - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees; or
- **Designated funds** - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects; or
- **Restricted funds** - these are funds that can only be used for particular restricted purposes within the objects of the Charity as specified by the donor.

RICH MIX CULTURAL FOUNDATION

1 Accounting Policies (continued)

- (f) **Stocks** of bar and cinema consumables are included at the lower of cost and net realisable value.
- (g) **Rentals** payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the Statement of Financial Activities as incurred.
- (h) **Cash flow statement:** the charitable company is a small company and is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1.

2 Voluntary Income

	2015	2014
	£	£
Unrestricted:		
Arts Council England – NPO funding	301,738	300,519
Arts Council England – Catalyst funding	40,000	40,000
Garfield Weston Foundation	40,000	-
Sponsorships	38,900	17,636
Donations	5,197	6,132
	425,835	364,287
Restricted: (note 14)		
Project income		
Revenue Grants	90,923	135,096
Capital Grants	108,987	-
	199,910	135,096
	£ 625,745	£ 499,383

3 Commercial trading operations and investment in trading subsidiary

The wholly owned trading subsidiary, Rich Mix Cultural Enterprises Ltd, which is incorporated in the United Kingdom, pays all its taxable profits to the charity by Gift Aid. Rich Mix Cultural Enterprises Ltd operates the mainstream cinema programme, commercial event hires and bar operations carried on at Rich Mix. The charity owns the entire issued share capital of 1 share of £1. A summary of the trading results is shown below.

	2015	2014
	£	£
Summary Profit & Loss account		
Turnover	1,576,176	1,659,380
Cost of sales and administrative expenses	(963,268)	(961,525)
Management charges	(175,000)	(175,000)
Net Profit	437,908	522,855
Amount gifted to charity	(437,996)	(523,013)
Investment income	88	158
Retained in the subsidiary	£ -	£ -
	2015	2014
	£	£
Summary Balance Sheet		
Current assets	208,073	276,804
Current liabilities	(206,924)	(275,655)
Capital and reserves	£ 1,149	£ 1,149

Notes to the financial statements for the year ended 31 March 2015 (continued)

4 Investment income

	2015	2014
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RICH MIX CULTURAL FOUNDATION

	£	£
Bank interest receivable	<u>£ 1,068</u>	<u>£ 231</u>
5 Incoming resources from charitable activities	2015	2014
	£	£
Ticket sales and fees	131,100	140,303
Rental income & service charges	444,657	433,130
Other income	39,296	5,653
	<u>£615,053</u>	<u>£ 579,086</u>

6 Resources expended by natural classification

	Cost of generating funds	Charitable activities	Governance	Total 2015	Total 2014
	£	£	£	£	£
Direct costs					
Programming costs	-	136,881	-	136,881	189,379
Production & technical costs	-	35,858	-	35,858	32,969
Marketing	-	52,527	-	52,527	43,662
Staff costs	-	581,748	-	581,748	562,021
Door security	-	31,912	-	31,912	27,688
Licensing costs	-	7,677	-	7,677	16,925
Fundraising	126	-	-	126	661
Audit and accountancy	-	-	9,273	9,273	9,740
	<u>126</u>	<u>846,603</u>	<u>9,273</u>	<u>856,002</u>	<u>883,045</u>
Support costs					
Staff costs	1,747	192,335	3,520	197,602	195,557
Management and administration	201	25,826	646	26,673	33,239
Office and equipment expenses	884	80,205	1,768	82,857	86,818
Premises costs	283	391,202	852	392,337	375,261
Depreciation	299	412,401	898	413,598	401,542
	<u>3,414</u>	<u>1,101,969</u>	<u>7,684</u>	<u>1,113,067</u>	<u>1,092,417</u>
Total 2015	<u>£ 3,540</u>	<u>£1,948,572</u>	<u>£ 16,957</u>	<u>£1,969,069</u>	<u>1,975,462</u>
Total 2014	<u>£ 3,603</u>	<u>£1,955,394</u>	<u>£ 16,465</u>	<u>£1,975,462</u>	

Governance costs include auditor's remuneration of £8,200 relating to the audit (2014 - £8,450).

Support costs are allocated between activities on the following basis:

Management, administration and office costs - per capita

Premises costs and depreciation - estimated space usage

Notes to the financial statements for the year ended 31 March 2015 (continued)

7 Staff costs and trustee remuneration	Group	Charity
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RICH MIX CULTURAL FOUNDATION

	2015	2014	2015	2014
	£	£	£	£
Wages and salaries	1,024,161	974,256	723,502	702,360
Pension contributions	3,926	3,797	89	179
Social security costs	78,177	73,853	55,759	55,039
	£1,106,264	£1,051,906	£ 779,350	£ 757,578

No employees earned more than £60,000 per annum (2013 - £nil).

None of the trustees were paid or reimbursed for their expenses during the year or the previous year.

The average number of full time equivalent employees during the year was:

	2015	2014
Charity	30	29
Rich Mix Cultural Enterprises Ltd	15	13
	<u>45</u>	<u>42</u>

8 Taxation

The company is a registered charity and has no liability for corporation tax. It's wholly owned trading subsidiary, Rich Mix Cultural Enterprises Limited, passes profits on which tax would be payable to the charity under Gift Aid.

9 Exceptional item

On 2 August 2010 the London Borough of Tower Hamlets agreed to make over to Rich Mix £2,093,978 due to it under the cultural aspects of a section 106 payment arising from a nearby residential development, subject to the charity meeting certain performance targets. The first tranche of £500,000 was received in 2010/11 and the second and third annual tranches amounting to £1,046,990 was included as a debtor at 31 March 2013. Due to recovery of these monies being dependant on future negotiations to agree acceptable performance targets between the Charity and London Borough of Tower Hamlets a provision has been made against the opening debtor and a contingent asset comprising this and the remaining balance of £546,988 now exists as set out in note 19.

10 Tangible fixed assets - Group and charity

	Long Leasehold & Freehold Property £	Equipment, Fixtures and Fittings £	Total £
Cost			
At 1 April 2014	17,140,747	458,684	17,599,431
Additions	142,966	77,148	220,114
Disposals	-	(86,510)	(86,510)
At 31 March 2015	<u>17,283,173</u>	<u>449,321</u>	<u>17,819,545</u>
Depreciation			
At 1 April 2014	2,052,083	352,260	2,404,343
Charge for year	345,674	67,925	413,599
Eliminated on disposal	-	(86,510)	(86,510)
At 31 March 2015	<u>2,397,757</u>	<u>333,675</u>	<u>2,817,942</u>
Net Book Value			
At 31 March 2015	<u>£14,885,956</u>	<u>£ 115,646</u>	<u>£15,001,603</u>
At 31 March 2014	<u>£15,088,664</u>	<u>£ 106,424</u>	<u>£15,195,088</u>

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, LDA, Arts Council England and the London Borough of Tower Hamlets.

Notes to the financial statements for the year ended 31 March 2015 (continued)

11 Stock

Group

Charity

RICH MIX CULTURAL FOUNDATION

	2015	2014	2015	2014
	£	£	£	£
Cinema and bar stock	£ 16,421	£ 14,114	£ -	£ -
12 Debtors	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	105,757	62,989	81,536	56,000
Other debtors	83,987	23,374	85,649	3,721
Prepayments and accrued income	34,413	40,267	23,549	22,577
	£ 224,157	£ 126,630	£ 190,734	£ 82,298
13 Creditors: amounts falling due within one year	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	114,563	73,349	81,760	39,457
Taxes and social security costs	74,568	84,777	15,357	9,246
Other creditors	62,816	71,513	18,616	23,801
Amounts owed to group undertakings	-	-	46,152	32,835
Accruals and deferred income	184,556	261,434	129,043	142,914
	£ 436,503	£ 491,073	£ 291,288	£ 248,253
14 Operating leases	At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:			
	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Office Equipment:				
expiring in the first to second year	9,107	13,644	9,107	13,644
expiring in the second to fifth year	15,571	15,571	15,571	15,571
expiring after five years	-	-	-	-
	£ 24,678	£ 29,215	£ 24,678	£ 29,215

Notes to the financial statements for the year ended 31 March 2015 (continued)

15 Restricted funds - Group and charity

RICH MIX CULTURAL FOUNDATION

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
<u>Income Funds</u>					
Aldgate & All Hallows Barking Exhibition Foundation	11,666	-	(11,666)	-	-
Baskin Family Foundation	15,000	-	(15,000)	-	15,000
Canary Wharf Group Plc	-	25,000	(25,000)	-	-
Creative & Cultural Industries Ltd	1,167	8,423	(9,590)	-	-
Esmee Fairbairn Foundation	-	35,000	(35,000)	-	-
Embassy of Brazil	-	3,500	(3,500)	-	-
Royal Bank of Scotland Community Grants	-	4,000	(4,000)	-	-
	£ 27,833	£ 90,923	£ (103,756)	£ -	£ 15,000
<u>Capital Funds</u>					
Arts Council England Small Capital Grants	-	31,489	(31,489)	-	-
Bertha Foundation	-	30,000	(30,000)	-	-
Biffa Award	-	47,498	(47,498)	-	-
	£ -	£ 108,987	£ (108,987)	£ -	£ -
	£ 27,833	£ 199,910	£ (212,743)	£ -	£ 15,000

Aldgate and Allhallows Barking Exhibition Foundation

This grant is provided towards the costs of the schools programme in Tower Hamlets

Baskin Family Foundation & Canary Wharf Group Plc

These grant are provided towards the costs of the Young People's and families programme.

Creative & Cultural Industries Ltd

This grant is provided towards the costs of employing four apprentices through the Creative Employment Programme.

Esmee Fairbairn Foundation

This grant is provided towards the costs of the Young People's and free events programmes.

Embassy of Brazil & Royal Bank of Scotland Community Grants

These grants are in support of the *Joga Bola Festival*

Arts Council England Small Capital Grants

This grant is provided to support investment in equipment, furniture and signage to improve our audience experience and enhance both our financial and environmental sustainability.

Bertha Foundation

This grant is towards the cost of a new digital projector in Screen 3.

Biffa Award

This grant is towards the cost of improvements to the Mezzanine Gallery and public toilets.

16 Designated funds - Group and charity

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
Funded Equipment Purchases	38,428	63,476	(40,123)	-	61,781
Building Fund	15,088,665	45,511	(345,675)	97,654	14,886,155
	£15,127,093	£ 108,987	£ (385,798)	£ 97,654	£14,947,936

Funded Equipment Purchases

This fund represents the net book value of equipment funded by third parties.

Building Fund

This fund represents the net book value of freehold land and buildings.

The transfer from the General Fund represents non-grant funded building improvements during the year.

Notes to the financial statements for the year ended 31 March 2015 (continued)

17 Unrestricted funds - Group

RICH MIX CULTURAL FOUNDATION

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
General Fund	33,332	2,618,132	(2,442,783)	(95,654)	111,027
	£ 33,332	£ 2,618,132	£(2,442,783)	£ (95,654)	£ 111,027

The transfer to the Designated Buildings Fund represents non-grant funded building improvements during the year.

Free reserves

Free reserves are calculated as general unrestricted funds not represented by fixed assets and designated funds and stand at £57,360 at 31 March 2015 (2014: negative £34,663).

	2015 £	2014 £
General fund carried forward	111,027	33,332
Less: General Fund tangible fixed assets (note 18)	(53,667)	(67,995)
	£ 57,360	£ (34,663)

18 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	53,667	14,947,936	-	15,001,603
Cash at bank and in hand	253,285	-	15,000	268,285
Other net current assets	(195,925)	-	-	(195,925)
	£ 111,027	£14,947,936	£ 15,000	£15,073,963

19 Contingent assets

On 2 August 2010 the London Borough of Tower Hamlets agreed to make over to Rich Mix £2,093,978 due to it under the cultural aspects of a section 106 payment arising from a nearby residential development, subject to the charity meeting certain performance targets. The first tranche of £500,000 was received in 2010/11 and negotiations to enable the charity to draw down the remaining balance of £1,593,978 are ongoing. Until such point in time as these negotiations are concluded Rich Mix is unable to quantify the likely outcome of the dispute, hence this amount has not been provided for by the Charity at the balance sheet date.

20 Contingent liabilities

The London Borough of Tower Hamlets provided some funding towards the capital development at Rich Mix which took place between 2001 and 2006. Rich Mix and the London Borough of Tower Hamlets are currently in dispute arising from whether an element of this funding amounting to £850,000 was in the form of a grant or a loan. The Trustees believe that this amount was in the nature of a grant and not repayable and therefore no provision has been made at the balance sheet date. The matter is currently the subject of legal proceedings and unless resolved through negotiation in the interim a court hearing is expected to be scheduled in 2015. However at the date of approval of the financial statements Rich Mix is unable to determine the likely outcome of the dispute.