
The EXCHANGE ERITH LIMITED

TRUSTEES' REPORTS AND ACCOUNTS FOR THE YEAR ENDED
31 MARCH 2022

THE EXCHANGE ERITH LTD.

Report of the Trustees For the year ended 31 March 2022

The Trustees present their annual report and consolidated financial statements of The Exchange Erith Ltd for the year ended 31 March 2022.

1) Reference and administrative details

1.1 Constitution

The Exchange Erith Ltd converted from company limited by guarantee to charitable community benefit society with special resolution from its members in 2019. It is governed by its rules adopted in 2019.

1.2 Trustees

The Trustees of The Exchange Erith Ltd during the year to 31 March 2022 are: -

Chair: Alexei Hartley

Treasurer: Anthony Jobarteh

Vice-Chair: Emma-Jayne Taylor

Secretary: Alison Gee

Trustees: April Allison (resigned)
Helen Ball (resigned)
Whitney Iles
Mat Jenner (resigned)
Eva Lis
Zaineb Naveed
Hugh Neal
Jon Orsborne
Teresa Pearce (resigned)
Isabel Shaw (resigned)
Tim Truong (resigned)
Chi-Chi Uba
Boyd Wardell
Beverley Waters

1.3 Directors / Chief Executive Officers

Sarah Batten
Peter Nutley
Louisa Budds

1.4 Address and registered office

The Exchange Erith Ltd, The Old Library, Walnut Tree Road, Erith DA8 1RS

1.5 Independent auditors

Goldwins UK, 75 Maygrove Road, London NW6 2EG

1.6 Bankers

Barclays, 6 Market Place, Bexleyheath, DA6 7DY

1.7 Solicitors

Bates Wells, 10 Queen Street Place, London EC4R 1BE

**Report of the Trustees
For the year ended 31 March 2022**

2) Structure, governance and management

2.1 Structure and governance

The Board of Trustees is responsible for the governance, purpose and long-term planning of the Society and meets four times each year. The Society is governed using a Policy Governance model.

The Board is advised by the Executive, whose purpose is to be responsible for finance, performance against Board-specified Ends and Limitations, performance to budget, administration, and human resources.

The Board of Trustees is structured to represent a range of expertise that support organisational development, but also representation from within the Erith / North Bexley community.

The Society's directors are Peter Nutley and Sarah Batten – the Co-Founders of The Exchange Erith Ltd. They are supported by a team of staff and a growing number of volunteers.

1) Objectives and activities

The objectives of the charitable community benefit society are to:

- (a) advance education and the preservation, protection and maintenance of the building known as "The Old Library" in Erith Kent, in particular but not exclusively by all or any of the following means:
 - (i) repairing, refurbishing, restoring, conserving and managing the "The Old Library" as a heritage building known as the "The Exchange";
 - (ii) developing and maintaining an educational centre and visitor facilities on the site in order to attract visitors and develop their awareness of the heritage asset.
- (b) advance education in the appreciation of the visual and creative arts in all their forms and to promote the arts for the public benefit by providing and encouraging access to the visual and creative arts for all.
- (c) promote for the benefit of the inhabitants of the town of Erith, Kent and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

In order to achieve these objectives, the Trustees have specified a series of "Ends" against which the executive work and in line with the Policy Governance model. These are:

- i) Ensure the Old Library's heritage – as a space that showcases local craft and the potential for local empowerment – remains at the centre of our work
- ii) We empower people and communities
- iii) We actively seek out and champion cultural diversity
- iv) We shine a light on and celebrate local heritages
- v) We take action to tackle the climate emergency
- vi) We take action to tackle racism, lack of cohesion and inclusion
- vii) We take action to tackle poor mental health, poor wellbeing and loneliness
- viii) We support local innovation and ideas

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For the year ended 31 March 2022**

2) Achievements and performance (taken from the Evaluation Report)

4.1 Ensure the Old Library's heritage – as a space that showcases local craft and the potential for local empowerment – remains at the centre of our work

CAPITAL BUILDING PROGRAMME: The building programme has transformed the old library, from a derelict and deteriorating space to a bright and airy community space ready for activity.

The year started with the builders (Harpers) still on site owing to delays caused by Covid-19. By September, the builders were out of the old library, but with significant areas of snagging still to address. By the end of the year, these had predominantly been addressed, excepting the front wall and fencing, the historic toilets and the book hoist works on which are planned for 2023.

THE WORKSHOPS: The Textiles and Timber Workshops opened to the public for projects in February 2022. These workshops focus on community production and skills development, where local residents work alongside professional craftspeople to develop craft technical skills and produce items that can either be used by the community or sold to generate income for The Exchange programme.

The Print Workshop is open on an ad-hoc basis, with its engagement focus through the weekly Draw/Design workshops that started in October 2021. The workshop yet to open is Ceramics.

At the end of March 2022, there were 45 volunteers across Draw / Design, Textiles and Woodwork.

PARTNERSHIPS: Through the Workshop programme, we have developed some exciting partnerships with professional crafts organisations and makers. This includes National Trust Red House, Crafts Council, Local Works Studio, Mentsen and Hand & Lock. These groups provide the workshops and the staff with support to ensure that what we offer our community is of the best quality.

4.2 We empower people and communities

THE MAKERS: The Makers programme focuses on empowering local people to come up with the ideas for, and to deliver, the events and activities they wish to see on their doorstep. This year this included:

- ERITH MADE festival 2021, including markets, performances and workshops
- Weekly Life Drawing events
- History Tours & Talks
- Quiz Nights
- Jazz & Classical concerts
- "Crack the Case" nights
- Cycling events
- Live music, beer festival, workshops through HERE COMES THE SUN festival

Across the year, over 100 Makers have been involved with "making things happen!", attracting over 4,500 attendees to Maker events.

TOWN CENTRE PARTNERSHIP: During the pandemic, The Exchange formed a Town Centre Partnership, inviting representatives from different sectors (from charity to retail, youth to leisure) to join together to work on town-wide programming and Erith marketing to draw more people to the town.

In 2021/22, the Partnership supported with the programming for ERITH MADE, and secured funding from the government/Bexley Council to employ a Town Partnership Coordinator to grow the work of the partnership, and to deliver a youth-led programme of events across different town venues.

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At the end of March 2022, there were 15 town partners, 45 young people led on the delivery of the youth-led programme, a website for Erith was launched (welcometoerith.com) and additional funding had been secured to keep the Town Partnership Coordinator in post for another year (currently managed by The Exchange).

STAFF: It has been a difficult year for the staff team with many moments of change and uncertainty, coupled with lots of opportunities and new beginnings. Within the year, the team had grown from 5.6 full-time equivalent employees to 9.5 full-time equivalent, employing a new Operations & Events Manager, Town Partnership Coordinator and Head Gardener, as well as new recruits to the Bookstore team.

VOLUNTEERS: The Exchange could not be The Exchange without the incredible voluntary support we receive from local residents. This includes everyone in the Makers group, the Workshop and Garden teams, and the Town Square Hosts. At the end of March 2022, we had a team of 170 volunteers.

4.3 We actively seek out and champion cultural diversity

DISCUSS & DECOLONISE: Discuss & Decolonise was initiated in response to the black square phenomenon and in desire to do something more meaningful to tackle racism. It started as a safe space for people to discuss their experiences of racism and discrimination, and then later turned into a discussion programme supported by artists, thinkers and cultural practitioners.

This year we welcomed Ali Eisa (Autograph), Kwame Boateng (Black Curriculum), ceramicist Bisila Noha, and Black Girl Knit Club.

Feedback on these events has been incredibly positive, but there is a need to focus more on engagement to draw more people to these events, as well as connecting these discussions more closely with the work of The Exchange. We are also planning to reframe this programme, renaming it "Narrative Editions" so that there is a broader focus of diversity, including disability & low-income narratives.

ERITH MADE FESTIVAL: The Erith Made Festival was devised, developed and delivered by local residents. 27 core Makers led with the ideas, with 95 others helping to "Make Things Happen" over the three-day weekend.

The Festival included delivery partnerships with St John's Church, the Running Horses, Re-Instate, Erith Football Club, Wasteless Market, Theatre Box Performing Arts Academy, Erith & Belvedere History Society and North West Kent Countryside Partnership.

We worked with London South East Colleges, where the students supported the creation of a film and taking of photography; and with local schools who produced some of the bunting that was used to decorate the town.

Over the weekend, there was an audience of 2,714 people, with over 1,000 participants directly getting involved.

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For the year ended 31 March 2022**

In terms of diversity, here is the data about the attendees:

AGE	% of attendees	ETHNICITY	% of attendees	Are your day-to-day activities limited because of a health condition or disability?	% of attendees
Under-16	2%*	Asian / Asian British	9%	No	75%
16-24	9%	Black / Black British	9%	Yes, limited a little	21%
25-34	19.5%	Mixed / Multiple ethnic	5%	Yes, limited a lot	1%
35-44	18.5%	Other	11%	Prefer not to say	3%
45-54	12%	Prefer not to say	2%		
55-64	15.5%	White British	63%		
65-74	13.5%				
75+	9%				
Prefer not to say	1%				

SOUTH ASIAN CULTURE DAY: The South Asian Culture Day featured a taste of Pakistani cuisine with a menu designed and co-delivered by Hamza Zaheer alongside our Head Chef; an exhibition by local artist Usarae Gul; a documentary screening on art in the Islamic World followed by a Producer and Director Q&A with Faris Kermani. Over the course of the day over 100 people attended.

FREEDOM OF BEING: The Exchange supported students from London South East College to develop an event they would like to see in Erith. They devised a family event that included an art exhibition, workshops in lino and butterfly printing, face painting and a make-up tutorial and performance by two Drag Queens. The themes of the event were freedom, equality, creativity, art and expression. The entire event was planned and delivered by the students. The exhibition artwork was also used within their college course and counted towards their mark for the year.

The event was attended by members of the public of all ages from Erith. 211 people visited over the course of the day.

ACTIVE HORIZONS @ RUNNING HORSES: The Exchange supported young people from Active Horizons to deliver their 'Active Event' which took place at The Running Horses. The day consisted of African drumming and storytelling, African print arts and crafts and food challenges. The event was a free family day which saw families coming together to enjoy the activities.

The entire event was planned and organised by the young people of Active Horizons who also helped facilitate the day. 73 people visited over the course of the day.

4.4 We shine a light on and celebrate local heritages

HISTORY WALKS & TOURS: Over the year, local resident and Maker Hugh Neal delivered 4 tours of the Old Library. The Co-Directors also delivered a number of tours post the second phase of the building works. Collectively this has brought in 150 visitors to The Exchange.

As part of ERITH MADE, Ken from Erith & Belvedere History Society and Andy from Erith Playhouse led two riverside walking tours from St John's Church to and around the town centre.

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ST JOHN'S CHURCH: We have been working with St John's Church since the first lockdown, where we supported them with the creation of an Assessment of Significance for the Grade II* building, and the testing of future activities to open up the church to the non-worshipping community.

In 2021/22, the partnership continued with the collaboration at Erith Made 2021 – the Carnegie Ensemble played a Sunday concert, the History Walk began at the church, the town's oldest building, and collaborating with Re-instate across the road, a garden fete was held. We are now discussing new plans for Erith Made 2022. Over 150 people attended the St John's events.

CROSS KEYS: The Cross Keys is a historic pub on Erith's riverfront. It has been closed to the public for many years, but through the Welcome Back project, the doors were opened for a weekend event organised by young people from London South East Colleges. 211 people attended this event.

THE GREENHOUSE: The newly installed Greenhouse is inspired by the story of Florence Barton-Young, the Head Librarian of the Old Library for over 20 years, and the Travelling Library Van which she commissioned in the 1930s. This was the first ever purpose-built mobile library, and the second mobile library ever to be commissioned in the UK. It was built to serve the District of Erith, travelling to areas of the borough that were then much harder to reach.

Fabricated by Surrey Ironcraft with the support of structural engineers Buro Happold, this incredible new piece of metal craft is a welcome addition to our green space and a fitting memorial to Florence.

VENUE IMAGES: As part of the Welcome Back funding, we commissioned professional photographers to take images of the venues and businesses in Erith for the new Erith website.

In terms of historic venues, this included: St John's Church, Christ Church, The Old Library, Erith Playhouse and Erith Pier.

4.5 We take action to tackle the climate emergency

GARDEN + GARDEN ROOM: The Exchange aims to be a hub for green learning, using our garden, greenhouse and garden room as spaces for skills development and learning.

In 2021/22, the garden was planted. This garden was designed by award-winning garden designer Sarah Price and planted by over 50 volunteers. It was designed to include permeable pathways, water collection and composting. The plants encourage biodiversity, with one area designed specifically around warmer/drier climate where the sun is hottest.

The garden room is an internal space that will function as a workshop, providing opportunities for learning and community. This space was opened in 2021/22, but the programme will start the following year.

Leading on the garden programme, and supporting the incredible group of community gardeners, is our new Head Gardener Louis Schultz-Wiremu who joined us in January.

WASTELESS MARKET: We continued to support Wasteless Market through provision of free venue hire for their markets, arranging for them to take outdoor space as part of ERITH MADE, and free use of our Conversation Room for a pop-up refill/recycling hub.

Through the hub, Wasteless:

- Refilled 408.494 litres of liquid - equivalent to 816, 500ml bottles
- Recycled 8kg of medicinal waste
- Recycled 5 big boxes of bras to raise money for Against Breast Cancer
- Recycled 26kg of Terracycle waste - e.g., crisp packets, toothpaste tubes to raise money for Kent & London Air Ambulance
- Recycled 10kg of bottle tops to raise money for a guide dog charity
- Recycled large bag of old unusable inflatables

**Report of the Trustees
For the year ended 31 March 2022**

INTERNAL OPERATIONS: Internally we have taken the following steps:

- signed up to Creative Green Tools establishing a baseline for energy use of The Exchange (building & operations)
- modified our programme planning and delivery processes to ensure that all staff are considering and acting on environmental sustainability at all points of development
- established an internal composting process whereby the Head Gardener is working with the other workshops to establish a circular model at The Exchange
- installed in the garden water collection methods and permeable pathways

4.6 We take action to tackle racism, lack of cohesion and inclusion

DISCUSS + DECOLONISE: See above for details.

VOLUNTEER OPPORTUNITIES: We provide multiple opportunities to get involved in what we do, bringing people together from different communities and experiences. We aim to make volunteering fun, where you actively give your time for the benefit of our community organisation in collaboration with others.

This includes the opportunity to become a “Guardian of the Garden”, a Workshop volunteer, or a “Town Square Host” welcoming people to The Exchange and the Old Library.

We currently have 170 volunteers.

THE EXCHANGE BOARD: We are proud of our Board that bring a diverse set of skills and voices to the governance of The Exchange. We believe visibility and diverse leadership are key to tackling issues of inclusion and racism. Each board member has a three-year tenure, after which they step down to give someone else the opportunity to lead our community organisation.

DIVERSITY TRUST / EMPLOYMENT / POLICIES: Making The Exchange a place where everyone feels welcome is at the forefront of what we do on a daily basis. To support us to achieve this, we commissioned The Diversity Trust to review our recruitment policies and procedures to ensure we are being as open as we can for people of all backgrounds to feel they would like to work here.

We also developed a Code of Conduct policy that outlines what is expected of everyone while at the Exchange, ensuring it remains a place where everyone feels comfortable.

4.7 We take action to tackle poor mental health, poor wellbeing and loneliness

WORKSHOPS + GARDEN: The Garden and Workshops have become places that promote positive wellbeing, through creating connections; delivering activities that encourage people to take notice, learn something, and/or be active; and encouraging people to give back to their community.

This aligns with MIND’s “Five Ways to Wellbeing”

EVENTS / OPPORTUNITY FOR INTERACTION: Not everyone has the time to give the garden and workshops, but we also try to encourage positive wellbeing through creating opportunities for making connections and learning through our wider event programme, particularly through the work of The Makers.

Over the year, nearly 8,000 people have attended our events; and over 20,000 people have come to The Bookstore café/restaurant in spite of the pandemic.

STAFF TRAINING: Six members of staff received Mental Health First Aid training in March 2022.

**Report of the Trustees
For the year ended 31 March 2022**

4.8 We support local innovation and ideas

DEVELOPMENT LAB: The Development Lab is a space where local people with ideas for projects or businesses with a social cause can get support. Provision of support during the pandemic was difficult, as all organisations/individuals had to navigate a constantly changing environment. Nonetheless, support was provided to the following organisations:

- Theatre Box Performing Arts Academy
- Wasteless Market CIC
- Rob Mason Wine
- Lauriann's STEM Club

THE MAKERS: The Makers are a group of local residents who make things happen in Erith. There are a few certain individuals who have given the energy to lead and deliver on ideas, with the support of The Exchange.

In 2021/22, this has included:

- Colin Dyer's *Life Drawing*
- Boyd Wardell's *Exchanging Places*
- Cris Ryan and Jade Flannery's *Quiz Night*
- Jade Flannery's *Crack the Case*
- Phil Hall's *Carnegie Ensemble*

4.9 Is Erith a Better Place to Live?

The Exchange's overarching end is to make Erith a better place to live. Based on the achievements above, we asked local residents / members in July 2022 the following questions:

Q1: How many times have you been to the Exchange in the past 12 months?

Q2: For what reasons/activities did you visit?

Q3: Where do you live?

Q4: Do you think The Exchange is good for the local area?

At the time of pulling these accounts together, 95 individuals had responded to the survey:

- 59% had visited more than 6 times in the last 12 months; and only 7% hadn't visited ever or in the last 12 months.
- 89% had visited The Bookstore (café/restaurant/deli), with a broad range of other reasons for visiting including the workshops, markets, live music and garden.
- 62% live in Erith itself, with another 29% living in wider Bexley.
- 100% of individuals believed that The Exchange was good for the local area.

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Report of the Trustees For the year ended 31 March 2022

3) Financial Review

Total income was £738,905. This is a 27% increase in income reflecting increased sales in The Bookstore café/restaurant and income from the National Lottery Heritage Fund via Bexley Council for the phase 2 capital and activity project.

Funding streams

This year there have been four new funded projects including £44,533 Welcome Back funding for a town wide programme of events led and delivered by young people, and additional £16K of Covid-19 related support, a small grant for Christmas decorations/events in the town and the first instalment of a £40K grant from Arts Council England to deliver a series of commissions designed to help fit out the building and kickstart the workshops and associated income streams

Liquidity

The Society ended the year with a positive total funds balance of £591,813 including a positive cash balance of £254,229.

The total funds include £309,155 restricted funds of which £185,653 is allocated to Phase II of the NLHF project. In addition, a Capital restricted fund was set up which £102k was transferred in the year from Phase II to cover the capitalisation of the new Garden. The balance is offset to smaller projects.

The total funds include £282,658 unrestricted funds of which £131,001 is general funds and £151,657 is community funds generated through the community share offer

The community share offer raised £151,657 which includes £75,000 match funding from The Booster Programme. The majority of this total will be moved to restricted funding to complete the NLHF Phase II project as required, and any remaining funds will continue to be unrestricted and will be allocated to core cost in accordance with the community share offer documentation.

Reserves Policy

The total of £131,001 unrestricted general funds at the end of 2022 satisfies the reserves policy of The Exchange that a minimum of 3 months of its operating costs and £10,000 designated building maintenance fund be held in reserve.

Conclusion

The accounts show that despite the continuing disruption and uncertainty caused by Covid-19 including new variants the Society has continued to deliver its outcomes. The additional pressures of staff shortages/difficulty in recruitment, increasing supplier costs and the first signs of the impact of rising cost of living have impacted on growth, however the hard work of the team has resulted in an increase in unrestricted general funds and satisfied our reserves policy.

The society has also taken significant steps to ensure future sustainability by expanding the number of income streams, through establishment of the workshops, increasing potential of existing income streams, by significantly increasing capacity and offer of the bookstore, and identifying additional grant funding for 2023/24 applications.

**Report of the Trustees
For the year ended 31 March 2022**

4) Risk Register

The Trustees approved an updated comprehensive Risk Register this financial year. The Directors are responsible for reviewing this Register and informing the Board as and when necessary. Special monitoring procedures are put in place during critical periods and judgements are taken by the Board and as appropriate by Committees with delegated powers or the Executive about the risks of undertaking, or not undertaking, a certain course of action, and the ways in which such risks can be mitigated.

5) Statement as to disclosure of information to auditors

In so far as the Trustees are aware, there is no relevant audit information of which the charitable society's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any audit information and to establish that the auditor is aware of that information.


Signatories to be:

**Alexei Hartley – Chair
Alison Gee – Secretary
Anthony Jobarteh – Treasurer**

Date: 06/09/2022



**Alexei Hartley
Chair
06/09/2022**



**Alison Gee
Secretary
05/09/2022**



**Anthony Jobarteh
Treasurer**

THE EXCHANGE ERITH LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE BOARD
YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of The Exchange Erith Limited (the 'Society') for the year ended 31st March 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including [Financial Reporting Standard 102: The Financial Reporting Standard](#) applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31st March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The board is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

THE EXCHANGE ERITH LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE BOARD
YEAR ENDED 31 MARCH 2022

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- Satisfactory system of control over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of accounts; or
- we have not received all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the board responsibilities statement, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

THE EXCHANGE ERITH LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE BOARD
YEAR ENDED 31 MARCH 2022

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society'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 society for our audit work, for this report, or for the opinions we have formed.



Anthony Epton (Senior Statutory Auditor)
for and on behalf of
Goldwins Limited
Statutory Auditor
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

Date: 07/09/2022

The Exchange Erith Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

		Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Income from:					
Donations and legacies	2	26,631	-	26,631	1,869
Charitable activities:	3				
Grants		8,077	444,741	452,818	419,438
Community funds		87,103	-	87,103	64,554
Earned income		2,500	-	2,500	16,708
Café sales		131,424	-	131,424	53,031
Venue hire		6,775	-	6,775	1,813
Retail sales		3,283	-	3,283	-
Events income		4,724	-	4,724	45
Web orders		-	-	-	1,277
Workshop		1,450	-	1,450	1,044
Sundry		1,492	-	1,492	-
Membership		160	-	160	-
HMRC- JRS Grants		2,333	-	2,333	21,408
Other income		18,212	-	18,212	-
Total income		<u>294,164</u>	<u>444,741</u>	<u>738,905</u>	<u>581,187</u>
Expenditure on:					
Charitable activities	4	179,790	279,656	459,446	293,984
Total expenditure		<u>179,790</u>	<u>279,656</u>	<u>459,446</u>	<u>293,984</u>
Net income / (expenditure) for the year	5	114,374	165,085	279,459	287,203
Transfers between funds		15,000	(15,000)	-	-
Net movement in funds		<u>129,374</u>	<u>150,085</u>	<u>279,459</u>	<u>287,203</u>
Reconciliation of funds:					
Total funds brought forward		152,083	160,271	312,354	25,151
Total funds carried forward		<u>281,457</u>	<u>310,356</u>	<u>591,813</u>	<u>312,354</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

The Exchange Erith Limited

Balance sheet

As at 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Tangible assets	9		102,620		-
Current assets:					
Stock	10	3,802		2,017	
Debtors	11	379,153		43,098	
Cash at bank and in hand		<u>254,229</u>		<u>291,090</u>	
		637,184		336,205	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>147,991</u>		<u>23,851</u>	
Net current assets			<u>489,193</u>		<u>312,354</u>
Total assets less current liabilities	13		591,813		312,354
Total net assets			<u><u>591,813</u></u>		<u><u>312,354</u></u>
Funds	14				
Restricted funds			310,356		160,271
Unrestricted funds:					
General funds		129,800		87,529	
Community funds		<u>151,657</u>		<u>64,554</u>	
Total unrestricted funds			<u>281,457</u>		<u>152,083</u>
Total funds			<u><u>591,813</u></u>		<u><u>312,354</u></u>

The financial statements have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Approved by the board on 06/09/2022

and signed on their behalf by:



Alexei Hartley
Chair



Anthony Jobarteh
Treasurer



Alison Gee
Secretary

Company registration no. RS008163

The attached notes form part of the financial statements.

The Exchange Erith Limited
Statement of cash flows
For the year ended 31 March 2022

	Note	2022 £	2021 £	
Cash flows from operating activities:				
Net cash provided by operating activities	a	77,545	143,121	
Purchase of fixed assets	(114,406)	-		
Cash provided by investing activities		<u>(114,406)</u>	<u>-</u>	
Change in cash and cash equivalents in the year		(36,861)	143,121	
Cash and cash equivalents at the beginning of the year		<u>291,090</u>	<u>147,969</u>	
Cash and cash equivalents at the end of the year	b	<u>254,229</u>	<u>291,090</u>	
a) Reconciliation of net income / (expenditure) to net cash flow from operating activities				
		2022 £	2021 £	
Net income for the reporting period (as per the statement of financial activities)		279,459	287,203	
Depreciation		11,786	-	
Decrease in stock		(1,785)	(2,017)	
Increase in debtors		(336,055)	(34,149)	
Increase/ (decrease) in creditors		<u>124,140</u>	<u>(107,916)</u>	
Net cash provided by operating activities		<u>77,545</u>	<u>143,121</u>	
b) Analysis of cash and cash equivalents				
	At 1 April 2021 £	Cash flows £	Other changes £	At 31 March 2022 £
Cash at bank and in hand	291,090	(36,861)	-	254,229
Total cash and cash equivalents	<u>291,090</u>	<u>(36,861)</u>	<u>-</u>	<u>254,229</u>

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - effective 1 January 2015) - (Charities SORP FRS 102) and the Co-operative and Community Benefit Societies Act 2014.

The charitable community benefit society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Going concern

The trustees consider that there are no material uncertainties about the charitable community benefit society's ability to continue as a going concern.

c) Income

Income is recognised when the charitable community benefit society has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charitable community benefit society has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charitable community benefit society is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charitable community benefit society that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charitable community benefit society has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charitable community benefit society, or the charitable community benefit society is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

d) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charitable community benefit society has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charitable community benefit society of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charitable community benefit society which is the amount the charitable community benefit society would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable community benefit society; this is normally upon notification of the interest paid or payable by the bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charitable community benefit society. Designated funds are unrestricted funds of the charitable community benefit society which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charitable community benefit society's work or for specific projects being undertaken by the charitable community benefit society.

1 Accounting policies (continued)

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable community benefit society in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services and other activities undertaken to further the purposes of the charitable community benefit society and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charitable community benefit society but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 4.

i) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. 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 in use are as follows:

~ Computer equipment	25% reducing balance
Garden	10% Straight line

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

l) Creditors and provisions

Creditors and provisions are recognised where the charitable community benefit society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Exchange Erith Limited
Notes to the financial statements
For the year ended 31 March 2022

2 Income from donations and legacies

			2022	2021
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Donations	26,631	-	26,631	1,869
	<u>26,631</u>	<u>-</u>	<u>26,631</u>	<u>1,869</u>

3 Income from charitable activities

			2022	2021
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Income earned from charitable activities				
Grants	8,077	444,741	452,818	419,438
Community funds	87,103	-	87,103	64,554
Earned income	2,500	-	2,500	16,708
Café sales	131,424	-	131,424	53,031
Venue hire	6,775	-	6,775	1,813
Retail sales	3,283	-	3,283	-
Events income	4,724	-	4,724	45
Web orders	-	-	-	1,277
Workshop	1,450	-	1,450	1,044
HMRC- JRS Grants	2,333	-	2,333	21,408
Sundry	1,492	-	1,492	-
Membership	160	-	160	-
Total income from charitable activities	<u>249,321</u>	<u>444,741</u>	<u>694,062</u>	<u>579,318</u>

4 Analysis of expenditure

	Charitable activities £	Support costs £	2022 Total £	2021 Total £
Staff costs	211,472	-	211,472	154,519
Project costs				
Art council		-	-	17,073
Community fund	2,197	-	2,197	18,140
HLF project	81,247	-	81,247	53,581
Other project expenses	38,048	-	38,048	-
Direct costs				
Café purchases	46,540	-	46,540	17,250
Café	8,192	-	8,192	5,535
Workshop materials	935	-	935	-
Event	8,053	-	8,053	-
Support costs				
Advertising	-	3,912	3,912	-
Premise costs	-	24,286	24,286	5,426
Insurances	-	5,105	5,105	9,728
Legal & professional	-	1,655	1,655	6,071
Office expenses	-	10,426	10,426	2,620
Depreciation	-	11,786	11,786	-
Bank charges	-	3,092	3,092	1,541
Audit fees	-	2,500	2,500	2,500
	<u>396,683</u>	<u>62,763</u>	<u>459,446</u>	<u>293,984</u>
Support costs	62,763	(62,763)		
Total expenditure 2022	<u>459,446</u>	<u>-</u>	<u>459,446</u>	
Total expenditure 2021	<u>293,284</u>	<u>-</u>	<u>293,284</u>	

Of the total expenditure £178,589 (2021: £107,774) was unrestricted and £280,857 (2021: £186,210) was restricted.

5 Net incoming resources for the year

This is stated after charging / crediting:

	2022	2021
	£	£
Auditors' remuneration		
Audit fees (excluding VAT)	<u>2,500</u>	<u>2,500</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	197,477	145,788
Social security costs	10,474	6,230
Employer pension contributions	<u>3,521</u>	<u>2,501</u>
	<u>211,472</u>	<u>154,519</u>

The total employee benefits (including employer's social security and pension contributions) of the key management personnel were £74,857 (2021: £55,796).

No employees earned more than £60,000 per annum.

The society members were not paid or received any other benefits from employment with the charitable community benefit society in the year (2021: £nil). No charitable community benefit society trustee received payment for professional or other services supplied to the charitable community benefit society (2021: £nil).

7 Staff numbers

The average number of employees during the year was as follows:

	2022	2021
	No.	No.
Charitable activity	5.5	3.8
Support	<u>1.5</u>	<u>1.8</u>
	<u>7.0</u>	<u>5.6</u>

8 Taxation

The charitable community benefit society is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Tangible fixed assets

	Garden	Equipment	Total
		£	£
Cost			
At the start of the year	-	-	-
Additions in year	112,103	2,303	114,406
Disposals in year	-	-	-
At the end of the year	<u>112,103</u>	<u>2,303</u>	<u>114,406</u>
Depreciation			
At the start of the year	-	-	-
Charge for the year	11,210	576	11,786
Eliminated on disposal	-	-	-
At the end of the year	<u>11,210</u>	<u>576</u>	<u>11,786</u>
Net book value			
At the end of the year	<u>100,893</u>	<u>1,727</u>	<u>102,620</u>
At the start of the year	<u>-</u>	<u>-</u>	<u>-</u>

10 Stock

	2022	2021
	£	£
Workshop material	<u>3,802</u>	<u>2,017</u>
	<u>3,802</u>	<u>2,017</u>

11 Debtors

	2022	2021
	£	£
Accrued income	8,625	35,863
Other debtors	368,900	5,542
Prepayments	<u>1,628</u>	<u>1,693</u>
	<u>379,153</u>	<u>43,098</u>

The Exchange Erith Limited
Notes to the financial statements
For the year ended 31 March 2022

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Taxation & social security	665	578
Accruals	12,201	2,500
Trade creditors	74,789	20,773
Other creditors	55,955	-
Deferred income	4,381	-
	<u>147,991</u>	<u>23,851</u>
Deferred income		
	2022	2021
	£	£
Balance at the beginning of the year	-	121,281
Amount released to income in the year	-	(121,281)
Amount deferred in the year	4,381	-
Balance at the end of the year	<u>4,381</u>	<u>-</u>

Deferred income represents grants received for the purpose of expenditure in a future period.

13 Analysis of net assets between funds- current year

	General unrestricted Funds	Designated Funds	Restricted Funds	Total funds
	£	£	£	2021
	£	£	£	£
Tangible fixed assets	102,620	-	-	102,620
Net current assets	178,837	-	310,356	489,193
Net assets at the end of the year	<u>281,457</u>	<u>-</u>	<u>310,356</u>	<u>591,813</u>

Analysis of net assets between funds- prior year

	General unrestricted Funds	Designated Funds	Restricted Funds	Total funds
	£	£	£	2020
	£	£	£	£
Tangible fixed assets	-	-	-	-
Net current assets	152,083	-	160,271	312,354
Net assets at the end of the year	<u>152,083</u>	<u>-</u>	<u>160,271</u>	<u>312,354</u>

14 Movements in funds

	At the start of the year	Incoming resources & gains	Outgoing resources & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
Welcome back	-	44,533	33,089	-	11,444
Reach fund	925	-	1,927	1,002	-
Greenhouse Grower	10,000	-	-	(10,000)	-
Bright Ideas	8,000	-	8,000	-	-
Arch fund	-	4,425	4,044	-	381
Arts council	-	20,775	-	-	20,775
Christmas	-	1,600	1,602	2	-
Bookstore	-	16,000	16,000	-	-
Market	12,388	-	12,585	197	-
Phase II	122,150	357,408	191,802	(102,103)	185,653
Community	6,808	-	6,808	-	-
Capital	-	-	10,000	102,103	92,103
Total restricted funds	<u>160,271</u>	<u>444,741</u>	<u>285,857</u>	<u>(8,799)</u>	<u>310,356</u>
Unrestricted funds:					
General funds	<u>87,529</u>	<u>207,061</u>	<u>173,589</u>	<u>8,799</u>	<u>129,800</u>
Community funds	<u>64,554</u>	<u>87,103</u>	<u>-</u>	<u>-</u>	<u>151,657</u>
Total funds	<u>312,354</u>	<u>738,905</u>	<u>459,446</u>	<u>-</u>	<u>591,813</u>

The Exchange Erith Limited
Notes to the financial statements
For the year ended 31 March 2022

Movements in funds- prior year

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Art Digital	-	15,962	15,962	-	-
Reach fund	-	14,650	13,725	-	925
Greenhouse Grower	-	10,000	-	-	10,000
Bright Ideas	-	9,500	1,500	-	8,000
Arch fund	-	1,458	1,458	-	-
Arts council	-	3,826	3,826	-	-
Heritage fund	-	46,300	46,300	-	-
Market	-	15,840	3,452	-	12,388
Phase II	-	210,325	88,175	-	122,150
Community	-	33,620	11,812	(15,000)	6,808
Total restricted funds	<u>-</u>	<u>361,481</u>	<u>186,210</u>	<u>(15,000)</u>	<u>160,271</u>
Unrestricted funds:					
General funds	<u>25,151</u>	<u>155,152</u>	<u>107,774</u>	<u>15,000</u>	<u>87,529</u>
Community funds	<u>-</u>	<u>64,554</u>	<u>-</u>	<u>-</u>	<u>64,554</u>
Total funds	<u>25,151</u>	<u>581,187</u>	<u>293,984</u>	<u>-</u>	<u>312,354</u>

15 Legal status of the Society

The company is registered as community benefit society under Co-operative and Community Benefit Act 2014 and owned by the members. Each member has only one vote at the AGM, even if they have more than one share.

16 Related party transactions

There are no related party transactions to disclose for the year (2021: none).