

Agreed by AGM

[Signature]

21/10/03

THE BRIX AT ST. MATTHEWS

(Limited by Guarantee)

2880299

Company Number 2880299
Charity Number 1061039

AUDITED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002



LEGAL AND ADMINISTRATIVE INFORMATION

STATUS

The organisation is a charitable company limited by guarantee, incorporated on 14th December 1993 and registered as a charity on 7th March 1997.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, no person will be admitted to the Board of Directors without approval by the members of the board.

BOARD OF DIRECTORS

T Blackler
C Clarke
M Durran
N Parlett (from 19/04/2002)
M Williams

P Blake
N Duckers (until 20/03/2002)
T Kinsella
N Tate

SECRETARY

Reverend Margaret Durran

CHAIRPERSON OF THE BOARD

Martin Williams

REGISTERED OFFICE

St Matthews Church, Brixton Hill, London, SW2 1JF.

AUDITORS

A A Jamal & Co, 28 Fairlop Rd, London, E11 1BN.

BANKERS

National Westminster Bank, 504 Brixton Road, London, SW9 8EB.

SOLICITORS

Jeremy Simon & Co, 72a St Mary's Road, Watford, Herts., WD1 8EF.

DIRECTORS' REPORT

The directors, who are also trustees of the charitable company, present their report and the accounts for the year to 31.12.02.

DIRECTORS IN THE YEAR:

Members of the Board of Directors, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 surplus or deficit for that year. In preparing those financial statements the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

DIRECTORS' INTERESTS

As the company had no issued share capital, no directors held any shares in it.

PRINCIPAL ACTIVITIES

The company was engaged in maintaining the church building of St Matthews, Brixton and letting out units within it.

AUDITORS

A A Jamal & Co, Chartered Accountants, are willing to be reappointed.

Approved by the Board on 16.09.03 and signed on their behalf by

 M Williams director

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE BRIX AT ST. MATTHEWS

We have audited the financial statements of The Brix at St. Matthews for the year ended 31.12.02 that comprise the Balance Sheet, Statement of Financial Activities and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As stated in their report above, the directors of The Brix at St. Matthews are responsible for preparation of financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report our opinion on whether these financial statements give a true and fair view and are properly prepared according to the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF OPINION

We conducted our audit according to UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements, give a true and fair view of the company's state of affairs as at 31.12.02 and of its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Signed.....

Date.....7.10.03

A A Jamal & Co
Chartered Accountants
and Registered Auditors

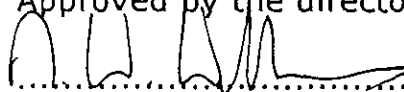
a@jamal.co.uk
28 Fairlop Rd, London E11 1BN

BALANCE SHEET AT 31 DECEMBER 2002

	Notes	2002	2001
TANGIBLE FIXED ASSETS	2	<u>1225431</u>	<u>1233576</u>
CURRENT ASSETS			
Debtors and prepayments		22752	18888
Cash at bank and in hand		<u>75979</u>	<u>56904</u>
		<u>98731</u>	<u>75792</u>
CURRENT LIABILITIES			
PAYE & NIC		1843	1935
Other creditors and accruals		<u>39451</u>	<u>21767</u>
(all payable within 12 months)		<u>41294</u>	<u>23702</u>
NET CURRENT ASSETS		57437	52290
NET ASSETS		<u>1282869</u>	<u>1285666</u>
FUNDS			
Unrestricted - General		36254	28740
Restricted	6	1246615	1256927
		<u>1282869</u>	<u>1285666</u>

These accounts are prepared in accordance with the special provisions of part 7 of the Companies Act 1985, relating to small entities.

Approved by the directors on 16.09.03 and signed on their behalf by:



 M. Williams, director

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2002

Income and Expenditure

	Notes		2002	2001
		Restricted Unrestricted	Total	Total
INCOMING RESOURCES				
Grant-National Heritage Lottery Fund		0	0	180445
Rent receivable			184646	182723
Bank interest			100	678
		<u>0</u>	<u>184745</u>	<u>363847</u>
OUTGOING RESOURCES				
<i>Charitable expenditure</i>				
Upkeep and rental of premises	3	10312	176431	182613
Management and administration	4		800	700
		<u>10312</u>	<u>177231</u>	<u>183313</u>
Net incoming /(outgoing) resources		(10312)	7514 (2798)	180334
Balance at start of year		1256927	28740 1285667	1105333
Balance at end year		<u>1246615</u>	<u>36254 1282869</u>	<u>1285666</u>

1. ACCOUNTING POLICIES

- a. The accounts have been prepared under the historical cost convention in accordance with the Financial Standard for Smaller Entities, the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in October 2000.
- b. The premises are leased until March 2120 from the Church of England. The cost of refurbishment is depreciated in equal amounts over the remaining period of the lease.
- c. Furniture and equipment is depreciated at 25% pa on a reducing basis.
- d. The unrestricted fund comprises income for the objects of the charity without further specified purpose and is available as general fund.
- e. The restricted fund is to be used for specified purposes as laid down by the donors. Expenditure which meets this criteria is identified to the fund.

2 FIXED ASSETS	Refurbishment of Premises	Furniture & Equipment	Total
Cost - start of year	1262095	48618	1310713
additions	7205	1264	8469
end of year	<u>1269300</u>	<u>49882</u>	<u>1319182</u>
Depn. - start of year	52461	24675	77137
for this year	10312	6302	16614
end of year	<u>62773</u>	<u>30977</u>	<u>93750</u>
Net value at end of year	1206527	18905	1225431

3. UPKEEP AND RENTAL OF PREMISES		2002		2001
	Restricted	Unrestricted	Total	Total
Salaries see below		54939	54939	57187
Staff training		0	0	491
Rent payable		3256	3256	3421
Water		6488	6488	8405
Caretaking and cleaning		11536	11536	17818
Light and heat		28186	28186	27491
Repairs and maintenance		36364	36364	29821
Insurance		11900	11900	10943
Licenses		8214	8214	0
Telephone		973	973	1945
Printing postage stationery		940	940	535
Bank charges		348	348	349
Legal and professional fees		4425	4425	3940
Depreciation	10312	6302	16614	18232
General expenses	<u>10312</u>	<u>2559</u>	<u>2559</u>	<u>2034</u>
	<u>10312</u>	<u>176431</u>	<u>186743</u>	<u>182613</u>

No employee received emoluments of more than £50000

As in the previous year there are three employees on average. One management and two administration and support.

	2002	2001
4. MANAGEMENT AND ADMINISTRATION		
Auditors' fees for accountancy		200
for audit	<u>800</u>	<u>700</u>
	<u>800</u>	<u>900</u>

5. PAYMENTS TO TRUSTEES

No payments (£400 in previous year)

6. RESTRICTED FUND

Grant from Brixton Challenge in 1994	644576
National Lottery Charities Board	85246
Grant - National Heritage Lotteries Board 2001	180445
Grant - National Heritage Lotteries Board 2000	251361
Grant - National Heritage Lotteries Board 1999	52322
Other Donations received in 2000	<u>80200</u>
	1294150
Depreciation in 1997	(6074)
Depreciation in 1998	(6074)
Depreciation in 1999	(6184)
Depreciation in 2000	(8641)
Depreciation in 2001	(10251)
Depreciation in 2002	<u>(10312)</u>
	<u>1246614</u>

see note 1b

Included in the restricted fund is an amount which represents VAT reclaimed from Customs & Excise on building work funded by the Heritage Lottery Fund. The VAT which totals £47,997, is due back to The Heritage Lottery Fund and will be dealt with as part of the final advance.

7. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

THE BRIX AT ST MATTHEWS

Agreed by
AGM.

Chairman's Report for 2002

21/10/02

Legal and Administrative Details

Name The Brix At St Matthew's

Status Charity established as company limited by guarantee (No 2880299).
Registered with the Charity Commission as number 1061039.

Address St Matthew's Church, Brixton Hill, London SW2 1JF

Charity Objects The Charity exists to enhance and preserve the building of St Matthew's Church, in the centre of Brixton, for the benefit of local people. It administers the building under a Head Lease from the Diocese of Southwark. The charity achieves its objects by letting out space within the building, and seeking special funding for particular projects to preserve or enhance the fabric.

Charity Trustees See Accounts

Structure The Brix is an independent charity. The Trustees, who are also the Board of the company, are responsible for its administration. They employ a general manager and an events coordinator, and use the services of an accountant.

Developments, Activities and Achievements in 2002

This is the ninth Annual Report of the Brix at St Matthew's.

The Brix has no assets of its own and depends entirely on the revenue it receives from its space to pay its way. Finding and keeping reliable tenants is critical.

a) Tenants and usage

2002 was a year of some changes all over the building, against an economic background which was becoming rather less favourable to the entertainment and leisure industry which is the sector where many of our tenants operate.

In October, after some weeks of negotiations, the owners of **Mass**, a nightclub and multiuse space, which occupies much of our building, assigned their lease, with our permission, to Chicks Limited. Chicks have continued to operate Mass as a nightclub under the same name, and have been experimenting with programming since they took over. We have been pleased to welcome them as tenants.

Bar Humbug restaurant, in the crypt, shut for a period during the summer for major refurbishment and redecoration. It reopened in the autumn as **Bug**. **The Bug Bar**, also in the building's crypt, continued its mix of music, comedy events and parties.

Our **office spaces** remained filled, and many of our tenants have now been with us some years. These include **Caught In the Act**, a theatre company specialising in educational work with schools; **Pegasus Opera**, specialising in bringing grand opera to the inner city, **Rocket**, a

PR marketing company for bands; **Melanin Partnership**, handling arts publicity; **Tonnic**, a design and print company (these last two now merged together into **Motion**; and the **Afro-Caribbean Mental Health Partnership**.

Religious groups using the building regularly, in the spaces that the Brix controls, included Christs Apostolic Church. There were also one-off events.

b) The Building

The Brix was able to refurbish space at the Effra Road end of the building to provide a much more pleasing Community Room, which has been used already by different community groups.

c) Staffing

Ord Henry continued as the Brix's Manager - a job he has held since the building opened 9 years ago. Jean Bergin continued as the Brix's accountant; she has other clients, but spends a regular period each month handling Brix business. Nick Moore, however, left us during 2002, and has been replaced as events coordinator by Melanie Desurmont. As ever, Trustees would want to pay tribute to the loyalty and professionalism of our staff, and the way they enable the building to function.

d) Risk Review

The Board revisited its previous analysis of the major risks that could affect the charity's operations, guided by a trustee with experience in this area. We continued to work through our action plan to address the risks that seemed most serious and most likely.

e) Financial position

The accounts show an end-year surplus of around £7,500. That is less than last year's (£10,140); however our actual income increased from £182,000 to £184,000, and would have been higher had it not been for some perturbation during the change of occupancy of the Mass space. Our "unrestricted fund" (ie the trading reserves) have now increased steadily for the last three years.

We also had higher expenditure on repairs and maintenance, and had to renew the building's entertainment's licence while Mass space was temporarily unoccupied.

f) Reserve Policy

The Brix Trustees seek to establish and maintain a "sinking fund" reserve, on which we could draw for major capital repairs. So far in our operation we have not been able to build up a significant reserve. Our policy for the current financial year has been to seek to set aside £2,000 a month cumulatively towards such a reserve, and our budget for 2003 reflected this.

Outlook for 2003

I write in October 2003. We had hoped that this year would be one where it would be possible to think afresh, from a position of greater financial stability, about the mission of the charity, and how it might contribute to the life of Brixton. Early in the year, trustees did discuss these questions, and reached some early conclusions. We wanted to use our newly-refurbished community space to sponsor performing arts training and workshops for young people - seeking to reinforce the activity in music, dance and performance that already goes on in the building. However, taking these forward has been disrupted by difficult market conditions

affecting the cash flow of some tenants, which has had knock-on effects onto our own cash flow. We believe a corner has now been turned, but it will be some while before full confidence is restored.

On a brighter note, use of our refurbished community space has been strong. Different community groups use it regularly – eg for old people's dance, Capoeira dance classes, women's self defence and groups in performance rehearsal.

Future Strategy

The Trustees intend to continue their basic strategy – to raise revenue to maintain the historic building of St Matthew's by letting out space to tenants at a commercial rent.

Thanks and acknowledgments

I should like to thank all my fellow trustees, and the external organisations who have always worked constructively with us, especially Lambeth Council. The Diocese of Southwark have been understanding landlords, and we have worked well with Stephen Sichel and the PCC of St Matthew's.

MARTIN WILLIAMS

October 2003