

**COMPANY REGISTRATION NUMBER 2880299**

**THE BRIX AT ST MATTHEWS**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2012**

**Charity Number 1061039**

**CHARITY COMMISSION  
FIRST CONTACT**

**1 - OCT 2013**

**ACCOUNTS  
RECEIVED**

**THE BRIX AT ST MATTHEWS**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

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**THE BRIX AT ST MATTHEWS**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2012**

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2012.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

**THE TRUSTEES**

The following trustees, who are also directors for the purposes of company law, have held office since 1 January 2012 as follows:

C M L Clark (Chair)  
M W Williams (Secretary)  
P A C Blake  
O C Delahaye  
K Slattery  
G K Bailey  
C E Wells  
P E Landell (to 30 June 2012)  
N J Gilchrist (from 7 January 2013)

Legal and Administrative Details

Registered charity name	The Brix at St Matthews
Status	Charity established as company limited by guarantee (Registered in England and Wales) No 2880299 Registered with the Charity Commission as Number 1061039.
Registered office	St Matthew's Church, Brixton Hill, London SW2 1JF
Auditors	Citroen Wells, Devonshire House, 1 Devonshire Street, London W1W 5DR
Bankers	Barclays Bank plc, Clapham Common Business Centre, 188 Clapham High Street, London SW4 7UF
Solicitors	Jeremy Simon & Co, 72a St Mary's Road, Watford, Herts, WD1 8EF.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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. At the AGM in June 2009 new Memorandum and Articles of Association were formally adopted by resolution in order to comply with the Companies Act 2006.

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

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In the event of The Brix at St Matthews' dissolution, the liability of each member is limited to £1.

**Governance, Membership and Trustees**

The members of the charitable company consist of the original subscribers to the Memorandum of Association plus any other persons admitted to membership in accordance with the Articles. To date, the only organisation or individual admitted to membership of the company is the Parish Church Council of St Matthews (the PCC).

The business of the charitable company is managed by the "Council", which is more commonly referred to as the Board of trustees or directors. According to the Articles of Association, the Board may use all the powers of the company that are not required to be used by a general meeting of the members of the company.

Under the Articles, no person will be admitted to the Board of directors without approval by the members of the board. Until the end of 2011, the PCC had the right to appoint two members of the Council (Board): this was increased to three by Special Resolution at a General Meeting on 19<sup>th</sup> January 2012. Were there any other members of the company, each of them would be entitled to appoint one member to the Board. Additionally, new Board members can be appointed by the Board through co-option.

During the first half of 2012, the charity had a complement of eight trustees. Paulette Landell, who had become a trustee in December 2011 resigned because of changes to her personal circumstances on 30<sup>th</sup> June 2012. During 2012, a new prospective board member selected by the PCC underwent training and induction on the legal, financial and fiduciary duties of charity trustees, but this candidate, Neil Gilchrist, formally joined the board only in January 2013.

Existing trustees are expected to identify their training needs and to take measures to ensure that these needs are met.

The Council or Board administers the charity. During 2012, there was one Board sub-group, the 2012 Committee whose duties were to oversee marketing activities and organise events to celebrate the Queen's Jubilee and the London Olympic and Paralympic Games. The 2012 Committee met on a monthly basis and reported to the main Board during the first half of the year. The main Board met on a monthly basis during 2012 to make decisions and supervise the overall governance and management of the charity.

**Staffing**

A manager of the charity is appointed by the trustees to manage day-to-day operations. He reports to the Board at its regular meetings, but is line managed on a day-to-day basis by the Chair of trustees. To facilitate effective operations, the manager has delegated authority – within the terms laid down by the Board – for operational matters, including liaison with tenants, supervision of staff and contractors and the repair and maintenance of the building.

The charity also employs a qualified and experienced management accountant on a part-time basis, line managed by the Chair of trustees, but reporting to the Board at its regular meetings. Amongst the duties of the accountant is the preparation of management reports to the board, the administration of the charity's financial controls, the production of draft accounts and the conduct of day-to-day financial processes and procedures.

**THE BRIX AT ST MATTHEWS**  
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During 2012, The Brix employed a part-time marketing and events organiser on a nine-month contract which ended in December. Because of the financial circumstances of the charity, this contract was not renewed at the end of the period.

The Brix provided several work experience placements during 2012, including one six-month placement and three two-month placements. These were for European-funded business studies students whose roles were to undertake marketing and events co-ordination and boost the levels of activities and events in the community hall.

During 2012, other services were provided to the charity by various sub-contractors working on contract or on a tender basis. In October 2012, security services were brought in-house and one individual was TUPE'd to become a Brix employee. Line management for service providers was provided by the manager of the charity in line with the organisation's strategies and agreed plans.

**OBJECTIVES AND ACTIVITIES IN 2012**

This is the 19<sup>th</sup> Annual Report of The Brix at St Matthews.

The charitable objects of The Brix at St Matthews are:

- a) To preserve for the public benefit of the people of Greater London and of the nation at large the historical, architectural and constructional heritage of the Church of St Matthew, Brixton.
- b) To provide facilities for recreation with the objects of improving the conditions of life and social welfare of the inhabitants in the area of benefit and in particular by the provision and maintenance of a community centre.
- c) To advance education for those living in the area of benefit.
- d) To undertake any other charitable activity.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities.

**Public benefit**

The first aim and objective of The Brix is to protect and preserve the historic and architecturally significant St Matthew's Church building. The advancement of heritage is one of the charitable purposes set out in the Charities Act of 2006 and the preservation of the fabric of this iconic building is the first way in which The Brix at St Matthews meets the Charity Commission's public benefit requirement.

St Matthew's Church was constructed between 1822 and 1824, and is now classified as a Grade II\* Listed Building, which puts it in the top 5% to 6% of buildings and structures of architectural note in the country. It is situated on a prominent town centre site at the heart of the Brixton Conservation Area in Lambeth, South London. The "historical, architectural and constructional heritage" of the building consists chiefly of its classical exterior and selected features, such as the clock, clock tower, portico and stained glass window.

The extensive internal configurations of the St Matthews building, dating from the 1970s and 1980s enable us to use the interior of the building for a wide variety of purposes.

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The Brix sets out to be an active participant in the local community by offering facilities that can be used for a wide range of activities of public benefit to local people and groups and the wider London community. St Matthews is one of hundreds of London buildings available for use by arts and community groups, charities and commercial or private users.

The Brix provides recreational and educational facilities by maintaining a community centre on the premises and making it available at affordable rates to charities, community groups, public agencies and other users. The community centre does not provide facilities to individuals, but is pitched mostly at local VCOs, other non-profit making organisations and small providers of educational and recreational activities, as well as a number of churches without permanent homes of their own.

The community centre consists of a large hall 15m x 9m in size and a small meeting room which can be hired for a variety of charitable, community, artistic, cultural, educational, recreational and religious purposes.

Rental and hire rates are set on a sliding scale, dependent on the status of the hirer, and are kept in line with those offered by other comparable voluntary and public sector providers of spaces for hire. Discounts are provided for charities, small local groups and other non-profit-making organisations.

Through these activities, The Brix meets its second and third charitable objectives, which are 'To provide facilities for recreation with the objects of improving the conditions of life and social welfare of the inhabitants in the area of benefit and in particular by the provision and maintenance of a community centre' and 'To advance education for those living in the area of benefit'.

These objectives meet three or more of the Charity Commission's designated charitable purposes and provide identifiable benefits in particular to the local community in Lambeth but also to the wider public in surrounding Inner London boroughs and in Greater London as a whole.

The Brix is the head-leaseholder of St Matthews Church, whose ultimate freeholder is the Diocese of Southwark. The Brix took over the management of the building through a 125-year lease from the Diocese when it was at risk of being closed down and sold because it had become "redundant". In Church of England parlance, this means that the donations of the congregation were not sufficient to maintain and keep the building open. The Brix was therefore set up as a separate, non-religious entity to generate a sufficient stream of income over the long term for the continual repair and maintenance of what is a very large and expensive building.

Apart from the building itself, The Brix has no assets of its own, and to pay for St Matthews' upkeep and the continued existence of the charity, it depends entirely on the revenue it receives from leasing, licensing and hiring spaces in the building to tenants and occasional users. This was a deliberate strategy which was adopted from the very inception of The Brix as a charitable entity in 1992, based on the assumption that it would be difficult to impossible to generate sufficient revenue from grants and donations. As a result, The Brix could best be described as a 'community business' or 'social enterprise' in that its running costs are funded almost exclusively by income generated as a result of its asset and the activities it pursues.

The four main floors inside St Matthews' Church building have been divided up in order to provide a number of different premises which are used for various purposes, both charitable and commercial. Two of the four floors have been used for the last 20 years as major income generators, to cross-subsidise the charitable, community and educational facilities on the other floors. This has enabled the charity to generate substantial revenue streams thus providing financial stability and enabling us to provide a variety of community and charitable uses in other parts of the building at affordable rates.

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The two large commercial spaces in the building consist of the premises on the fourth floor and the premises in the crypt. Fundamental changes took place in 2012 as regards these premises, and this subject is returned to below.

The key tenant in the building is the Parochial Church Council and the congregation of St Matthew's Church. The church occupies half the ground floor and has exclusive use of an entrance of the original 1820s doors on to the magnificent portico on the western end of the building. This tenancy is governed by a 125 year lease at a peppercorn rent.

The sixth floor of the building contains a suite of small offices which also generate income for The Brix. The office spaces on the sixth floor remained in occupation by a variety of small charities and small businesses which use the spaces on licence and pay affordable licence fees. These licence holders include Pegasus Opera, specialising in bringing grand opera to the inner city; Rocket, a PR and marketing company for musicians; Engage Publishing, an owner-managed design and print company; and the local branch of the Stroke Association. They were joined in 2012 by Brixton Blog and Bugle, a new local news outlet.

Altogether, during 2012, the St Matthew's building continued to be occupied by six tenants and licence holders. The Brix itself occupies two offices on the sixth floor, one of which can be used to generate additional income from its hire as a small meeting room for both internal and external users.

In 2012, The Brix also advanced education by working in collaboration with Lambeth College, a further education college providing full and part-time vocational and recreational courses for adults aged 18 and over, and by maintaining an internship arrangement with a further education college in France. The Brix provided placements for five students over the course of the year, whose costs were funded by European grant programmes.

Although The Brix survives by charging fees for the use of its premises, it provides public benefit by cross-subsidising the price of its community facilities and the cost of its preservation duties through raising income from renting spaces within the building, both via the long-term commercial leases and also via its short-time licensing and hiring arrangements.

**KEY DEVELOPMENTS IN 2012**

The dominant legal and financial issue during 2012 continued to be the dispute with the major commercial tenant of the crypt and the 4<sup>th</sup> floor, Chicks Ltd, about the payment of service charges on the premises at crypt level in the building. The basis on which service charges were levied on this space were changed on the fifth anniversary of the lease from a set annual amount to a percentage of the running costs of the building. This was disputed by the tenant and despite lengthy negotiation and formal conciliation over a three year period, mutually acceptable middle ground could not be found. During 2011, The Brix was obliged to engage in a lengthy legal action against its tenant for the recovery of service charges for 2008 to 2011. Chicks Ltd elected not to pay anything on account towards any of these four years' service charges whilst the dispute was underway, and during 2011 and 2012 also withheld a further £70,000 in rent and utility bill payments.

The action against Chicks Ltd was due to be heard in the Central London County Court on 2<sup>nd</sup> – 4<sup>th</sup> April 2012. The court case was derailed by the appointment by Chicks Ltd on 19<sup>th</sup> March 2012 of an insolvency practitioner, Benedict Mackenzie Recovery Ltd who informed The Brix of the intention to put the tenant into a CVA within the next few days. In these circumstances, The Brix felt obliged to forfeit the two leases held by Chicks Ltd, and this was done on 21<sup>st</sup> March 2012.

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The Brix obtained an Order from court which was agreed by Chicks Ltd and its professional advisors, which means that, technically, the legal action was successful. There was an advance payment of a quarter's rent from 2002 of £16,000 which had been held on account, and a personal surety of £30,000 from the proprietor of the tenant company which was honoured, but all Chicks Ltd's other outstanding debts to The Brix at St Matthews have had to be written off.

The financial implications for the charity of this event are outlined below in more detail. In practical terms, the fall-out from this catastrophe has been severe and during 2012 and into 2013 the key challenge has been to survive, not for its own sake, but for the sake of the future of the building and its key tenant, St Matthews Parochial Church Council.

With the overnight loss of £17,760 of incoming revenue per month from its commercial tenants, The Brix would have been facing imminent closure, except for four positive developments during the course of the year.

The St Matthews Parochial Church Council loaned The Brix £15,000 in the spring, and this was supplemented in the summer by a £30,000 loan from the Diocese of Southwark (from a fund which is generally used to support parishes with cashflow difficulties). The Brix is deeply grateful to both for their ready and generous support which provided a life-raft during the first part of the crisis and continues to underpin our recovery efforts.

The third positive development was the Tenancy at Will taken by Gremio London Ltd, which is part of the Antic London group of South London pubs, on the premises in our crypt. This brought in an additional £21,000 of income in the second part of the year, somewhat short of the full rack rent for the crypt but realistic because the outgoing tenant had stripped out all the fixtures and fittings which would have allowed a new tenant to take it on as a going concern.

The fourth positive development was the new partnership with Lambeth Borough Council which was formed in the middle of the year through which a capital sum of £70,000 was allocated to The Brix in order to enable the conversion of half a floor of the building into a "Hub", or a managed workspace for small community and voluntary groups for the local area. Lambeth Borough Council, as part of its "Co-operative Council" initiative, has designated eight large voluntary groups, including The Brix, as local "Hubs" or centres for shared use by smaller VCOs which are in danger of losing their own premises because of borough-wide property disposals.

A further positive development was the award of a grant of just under £10,000 by Awards for All for a consultation on the redesign and a change of management for the St Matthews Peace Garden, but the timing of this award means the work involved and the benefit has fallen wholly into 2013.

From April 2012 onwards, the overriding objective has had to be to secure new uses and new tenants for the vacant spaces in the building. The financial situation of The Brix precluded the appointment of any commercial estate agency to assist in this process, and therefore the marketing and promotional activities for the vacant spaces took place through free third sector property marketing websites, the local grapevine, local blogs and community newspapers, local networking and our own website and social media activities. A very special thank you goes to those Lambeth councillors and officers who responded with generosity and imagination to an appeal for assistance and then brokered a number of very interesting and positive leads from potential takers of the fourth floor and crypt premises.

Over the spring, summer and autumn, probably about 30 "leads" were generated, about ten of which were serious enough for the Board to consider detailed business proposals. There were several substantive bids for the fourth floor, the most suitable of which fell through at the last minute. Many proposed income generation activities were ruled out because of difficulties with the conditions



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attached to the Premises Licence The Brix took over from the erstwhile tenants. Security and noise restrictions on that Licence meant that the Council refused permission for a number of proposed events on the premises. Our income was boosted significantly by the temporary residence over six months of a charismatic Portuguese and Brazilian church called Alpha Church and by other one-off bookings of the facilities.

**Repair and maintenance of St Matthews' historic, architectural and constructional heritage**

The Quinquennial Report prepared by our architects HMDW last year has been of inestimable value as it has enabled us to establish an order of priority for the numerous items of repair and maintenance identified in the detailed schedules attached and to start to make plans to implement those repairs over time. However, given the severe financial constraints during the year, repairs and maintenance budgets were cut down to the minimum possible.

One major repair item which had been started in 2011 and had to carry on was the refurbishment of the original 1824 portico doors. These were made to an exclusive design by the original architect of St Matthews, C F Porden. They were in a very poor condition and required a thorough overhaul.

The impressive façade of St Matthews incorporates three large door sets in the portico, comprising double leaves with fixed overpanels. The doors are thought to be of Parana Pine and incorporate decorative panel beading in plaster on the exterior face. This is very delicate, but it was decided that as much as possible should be retained. No catalogue items matching, or resembling these panel beads were found during our architect's researches, so it was decided to strip out a section in good condition and use it to replicate the pattern, most probably in timber. The iron or steel strapping across the inside of some of the doors may have been installed to stiffen the panels up due to failure of the plaster beads. However, the extent of material for retention would only become apparent when the paint was stripped.

Work began on the first pair of doors in October 2011. The contractors were Triton Building Restoration Ltd. It soon became apparent that the decorative beadings on the doors had originally been hand-sculpted in plaster. Their renovation necessitated the application of a poultice to remove the old paint and the creation of a unique mould in which casts could be made to replace the damaged sections. A skilled craftsman was brought in to hand-make new sections of beading in resin and apply them to the gaps on the face of the doors. The first pair of doors took two months to renovate, at a cost of £13,000 plus VAT. The second pair was taken off site for repair in the early part of 2012 and the loan of £15,000 from the PCC was used to pay for their renovation. The first and second pairs were then painted with several coats of Sikkens RAL 3020, and returned to their original red colour. The third pair of doors – which required the most extensive amount of work – was removed to the workshop for repair in the second half of the year.

The other critical items on the repair list for 2012 were the large downpipes from the roof and pediment levels of the building and the drains below, which had become severely clogged. Repairs were also made to the lime pointing around the steps to the front of the building, which were letting water into the western ends of the ground floor and crypt.

The Brix continued to liaise with The City of London and LB Lambeth during the year to try to establish responsibility for the repair and on-going maintenance of a tomb on the forecourt of the building, that of William Ward, founder of the City of London School for Girls. The tomb is not the responsibility of either The Brix or the Diocese of Southwark and it has now been established that it is not the responsibility of The City of London.

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During the year, The Brix also continued to invest in smaller essential repairs and maintenance items inside and outside the building. In December, work began on the conversion of the community hall into the new Hub with the installation of office partitions, electrical and electronic cabling, the start of work on a new disabled toilet, kitchenette and cloakroom and the delivery of the furniture. The Brix signed a contract for the provision of a new telecommunications service in the building, and at the end of the year, work began on cabling the building for this. The community hall was moved to half of the fourth floor, which was previously part of the nightclub. Basic but vital upgrades were made to the space, including sanding the floor and putting lighter paint on the black-painted walls.

One stated aim of 2011 which has had to be deferred was the objective of "lighting up the building" (both literally and metaphorically), which is something which is to be revisited in the later part of 2013.

**The provision of facilities for recreation and social welfare and the advancement of education**

The way in which The Brix provides recreation and advances education has chiefly been through the maintenance of a community hall in which community activities can take place, including cultural, charitable, artistic, social and educational activities provided by other bodies who hire the hall.

During the first eleven months of the year, the community hall was used by a wide variety of charitable, educational, recreational, artistic and cultural groups. The hall was then moved to the fourth floor in December, which did lead to some temporary disruption of these types of activity.

During the year, The Brix continued to explore how it can promote itself as a focal point for the local community and as an essential resource for educational, cultural and recreational activities in South London. The 2012 Sub-Committee was set up in 2011 with trustee Giles Bailey in the chair to develop marketing and promotional ideas and activities which would increase the profile and good reputation of The Brix in the local community. Two key aims of the 2012 Committee were to build our relationships with key users and potential users of the building and to maximise their use of the hall and our other facilities, and to ensure that neighbours and key partners got a better knowledge of The Brix and what it had to offer, particularly by inviting them to use our facilities, where appropriate.

The Committee also resolved to make improvements to the website; generate and use photographic records of activities; develop databases of past and potential future users of the facilities; and promote The Brix through social and conventional marketing media of various kinds. All of these aims were achieved.

Again in 2012, The Brix ran its own activities to provide recreation and educational opportunities in the hall. In June, The Brix organised a "Big Picnic" to celebrate the Queen's Jubilee. Although several summer activities had been planned to celebrate the Jubilee and the Games, in the event only one event, the Picnic, actually took place. This was a success, with over 100 local people attending, although the weather was poor and the event had to take place inside. A special photographic exhibition of the history of the building was organised and there were guided tours throughout the day. The Picnic enabled The Brix to market its facilities to local people and also to undertake a community consultation about the future of the surrounding Peace Garden. A number of attenders completed a formal questionnaire, which enabled The Brix to go on and make a Big Lottery bid at the end of the year which would allow us to commission a firm of landscape architects to prepare more detailed ideas for the regeneration of the Peace Garden. In July 2012, Lambeth Borough Council's Cabinet approved in principle a paper from The Brix which proposed that The Brix take over the future management and maintenance of the Peace Garden.

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For the fourth year, The Brix collaborated with Lambeth College to organise an art competition and exhibition for mature students. This included an evening award ceremony at which prizes were given out for the best art works submitted by Lambeth College students, followed by a week-long exhibition at the end of June 2012. The art competition also provided the opportunity for The Brix to provide a two-month internship to two students from a college in Bordeaux.

During the year, the volunteer from Glaxo Smith Kline, Karen Ayers, continued to act as our web-master and to post new developments and photographs on our website. Karen's time, expertise and support have been very much appreciated.

**FINANCIAL IMPLICATIONS AND FUTURE OUTLOOK**

As has been said in previous annual reports, The Brix is effectively a social enterprise: it sustains itself by earning income from its asset, the St Matthews building. Its income derives from leasing, letting and licensing spaces within the building. This financial model has been used since The Brix was set up, on the assumption that greater financial stability would be obtained from this approach, rather than from a dependence on grants and donations.

The model was also set up in such a way that St Matthews Parish Church Council and congregation would continue to have a home in St Matthews Church building for a peppercorn rent for as long as The Brix held the head lease on the building.

Whilst the future of other charities has been affected by reductions in grants and donations, The Brix has now been affected by the sudden loss of its major commercial tenant and thus its prime source of revenue. The Brix has always found it difficult to bring in grants and donations to supplement its income. Feedback from such funders has tended to be that because of the nature of its main income stream, The Brix is not perceived to be as worthy a recipient as other charities. As a result, The Brix has tended not to spend any time on making applications for grants and donations. A flurry of such activity late in 2012 did bring in one grant from Awards for All, but this was for use in 2013. However, an application to CAF for a loan in 2012 was also unsuccessful because we were not perceived to be financially stable enough to be able to repay the capital and interest involved. As usual, then, The Brix has to fall back predominantly on its own capacity to generate revenue.

The exceptional circumstances of 2012 meant that The Brix was fortunately able to secure two loans, one from St Matthews Parochial Church Council and one from the Diocese of Southwark. The Brix has signed a loan agreement with St Matthews PCC which states that repayments would start in April 2013. However, the PCC understands that The Brix is still not in a position to start repaying this loan, and has indicated to The Brix that it will not press for repayment in the immediate future. The usual loan terms from the Diocese of Southwark meant that repayments of both capital and interest began immediately from the date of the loan. However, because of the continued financial squeeze in 2013, The Brix had to ask the permission of the Diocese temporarily to suspend repayments from September until further notice.

Again, most unfortunately, the funds from Lambeth Borough Council were not such that they could be termed as a grant. The terms of the arrangement were such that – as we were advised by solicitors and accountants – the agreement would be perceived as a contractual one. This means that The Brix could not reclaim VAT on the expenditure on the Hub.

After the eviction of the defaulting commercial tenant in 2012 and the forfeiture of the two leases involved, The Brix was able to re-register the two premises in its own name. This gave The Brix the ownership of two assets whose rack rents have been established professionally as being worth £60,000 and £75,000 per annum respectively. A surety of £30,000 and an advance on rent from 2002, held in

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our deposit account in the interim, partially compensated for the loss of income from these assets to the sum of £46,750.

However, during 2013, The Brix has been able to negotiate new leases with two separate new tenants for the crypt and half of the fourth floor. Because of changes to the commercial property market over the past two decades, premia are no longer payable on the grant of leases, so The Brix could not depend, as it has done in the past, on such windfalls associated with the assignment or signing of new leases.

The lease with the new fourth floor tenant was signed in late August 2013 for a sum of £22,200 per annum in rent plus £7,500 pa in service charges and £4,800 pa towards insurance costs, with shares of utility bills chargeable separately. This tenant is the School of Communication Arts 2.0 Ltd, a community interest company which educates young adults on the principles and practice of marketing and advertising. Since SCA moved in on a Tenancy at Will in February 2013, their half of the fourth floor has been generating a significant amount of income.

The lease with the tenant in the crypt, Gremio London Ltd – which is part of the Antic London group of South London pubs – is in its final stage of negotiation in September 2013. This provides for an annual rent of £70,000 plus service charges of £20,000 pa and an annual contribution of 23% of insurance and utility costs. Between these two leases, The Brix effectively restores its income levels from the major leased spaces in the building back to 2011 levels.

The funds from Lambeth Borough Council for the Hub have been designated as capital and were paid in instalments from December 2012, which means that all / some of the income has been brought forward into 2013 and has been capitalised. Unfortunately, the funds did not cover all the initial expenditure on refurbishing the space to become a fully-functioning, self-servicing managed workspace – not helped by the decision on VAT – and The Brix has also been struggling to fund the overspend throughout 2013.

However, the enormous changes of 2012 have left The Brix with a severe shortfall in income, the consequences of which are still playing through in late 2013 and will continue to play through into 2014.

At the start of the year, income was anticipated to be £318,360: it was actually £217,787 (which includes £70,000 of grant income from Lambeth Borough Council for the development of the Hub), less than 70% of what had been budgeted. We anticipated receiving £65,000 in rent from the fourth floor, and actually received £14,986. We expected to receive £82,000 in rent from the crypt, and in fact received £40,130. Whereas we predicted £72,000 in service charges and utility bill refunds, we actually received £5,639. As a result, the income from major tenants was £60,905 overall and not the £219,000 it was expected to be. In addition to this, our income from small office spaces and hall hires also fell short of budget by £11,792. Bank interest received therefore amounted to £125, not the anticipated £360 for the year.

In terms of expenditure, the overall resources expended by The Brix in 2012 amounted to £308,310. The budget had been £316,350, which was to include £48,000 on repairs and maintenance and an allowance of £12,000 for depreciation and a further £6,000 for irrecoverable VAT. Taking out depreciation and irrecoverable VAT, expenditure was £289,157. This included expenditure on repairs and maintenance of £74,740, an amount which was unavoidable given the commitment to restore the portico doors. This level of overall expenditure represents an enormous effort by The Brix to make the maximum economies possible in the extreme circumstances involved.

An analysis of the resources expended is provided in notes 5 to 10 of the financial statements.

**THE BRIX AT ST MATTHEWS**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2012**

The shortfall in unrestricted income over expenditure of £160,523 was partially covered by the use of reserves of £123,946 and partially by the loans from the PCC and the Diocese.

The trustees committed £72,666 to fixtures and fittings during the year. After deducting the charge for depreciation, the net book value of fixed assets amounted to £111,492.

The current assets and current liabilities amounted to £97,333 and £159,402 respectively.

The resulting net assets amounted to £33,423, which is represented by a deficit on the unrestricted funds of £36,577 and a closing balance on restricted funds of £70,000.

If the Charity were to lose a major income stream and be unable to replace it, there might be a significant uncertainty about the ability of the Charity to continue as a going concern. Notwithstanding this, the trustees have considered the future cash flows, and the tenants and activities in place and in view of the steps taken, they consider it appropriate to prepare the accounts on a going concern basis.

Two further issues on which trustees should comment are the unresolved matters of the rent payable to the Diocese under the terms of the head lease, and the amount of service charge payable by St Matthews PCC to The Brix under the terms of its sub-lease.

During 2012, negotiations continued with St Matthews Parish Church Council and the Southwark Diocesan Board of Finance, The Brix's landlords, about the basis on which the PCC's service charges should be calculated and levied, and the basis on which The Brix's own rent to the Diocese should be calculated. The two leases – which should give clear formulae on which both should be calculated – have clauses which do not allow for accurate calculation of either rent or service charges. Provision has been made in the accounts for some service charge payments from St Matthews' PCC, but progress still needs to be made towards a resolution of both these issues before this can be settled. No real progress was made on either issue during the course of 2012 and the first half of 2013, despite a number of efforts by the Board of The Brix to advance the arguments to the Diocesan Surveyor, the intermediary with the Diocese.

Our grateful thanks go to Citroen Wells, our auditors, and Jeremy Simon & Co, our solicitors, for all of their professional support and guidance throughout the year. Of the resources expended during the year, £20,106 has been spent on governance, with just under £12,000 of that spent on audit, accountancy, legal and other professional advice.

## **RISK MANAGEMENT**

Trustees are aware of their responsibility to ensure that the major risks to which the charity is exposed are identified and to establish systems to mitigate those risks. It was the trustees' belief that adequate controls and systems had been put in place to mitigate any external and internal risks that the charity might face.

The events of 2011 and 2012 put to extreme test the assumptions and risk management approaches of the charity. Trustees had once again assessed the internal business, operational and reputational risks for The Brix in the light of the on-going financial dispute with its major tenant. It was thought prudent to make financial projections which hypothesised about our continued survival as an organisation should the tenant default on its legal and financial responsibilities to us, as their landlords. Detailed cashflow forecasts were prepared, and trustees considered how they might best secure the future of the organisation if the tenant defaulted, in part or entirely. Contingency plans put in place were implemented and constantly revised in 2012 in order to protect the charity from insolvency as the

**THE BRIX AT ST MATTHEWS**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2012**

result of the complete default on the part of Chicks Ltd and the forfeiture of the two commercial leases in the building. This juggling on the edge of a financial precipice has continued throughout 2013 and will continue into 2014.

With the assistance of the PCC and Southwark Diocese and prudent cuts to its outgoings, The Brix is continuing to meet its obligations as they fall due and to trade its way through its transient financial problems.

**Reserves Policy**

The trustees' policy of keeping available funds in an interest-bearing deposit account with easy access in order to bridge any funding gaps caused by defaulting or late-paying tenants and licence holders and the loss of other sources of income has been one factor in The Brix's ability to weather the financial problems of 2011 and 2012.

Clearly the events of 2012 have demolished The Brix's reserves and for the foreseeable future, there will not be any opportunity to restore these reserves. At 31 December 2012, the deficit on the unrestricted funds was £36,577. The steps being taken by the trustees to address the deficit are set out under the section headed "Financial implications and future outlook" on pages 9 to 11.

**ACKNOWLEDGEMENTS**

The Brix trustees would like to put on record their huge thanks and appreciation to the Parochial Church Council of St Matthews and to the Diocese of Southwark for their moral and financial support in this time of crisis. The relationship between our three organisations verifies the old saying about the benefits of "hanging together". During the months since the crisis broke, we have benefitted from the thoughtful contributions and the wisdom of the Diocese's observer to the board, Roger Hird.

We also extend our heartfelt thanks to Councillors Heywood, Parr, Meldrum, Reed, Cameron and Campbell for the leads and connections they effected on our behalf in the early part of 2012 and to Lambeth officers Chris Norris, Pal Luthra, Dawn Bunce and Rheanne Gonyou for taking such a keen interest in us and not only promoting our premises to a wide range of Lambeth organisations, commercial and charitable, but also organising and escorting visits by these potential tenants with the aim of helping us to find new sources of income. We cannot be more grateful to Chris Norris for introducing us to our new fourth floor tenants, SCA. John Kerridge receives a special mention for so quickly recognising The Brix's potential as a Lambeth Hub and for helping us to become the first one to be established.

An enormous amount of appreciation goes to Catherine French, a volunteer who donated several thousand pounds' worth of professional advice on the design, planning and commissioning of the Hub. Without her invaluable assistance, the Hub could never have been realised.

Karen Ayers of Glaxo Smith Kline continued to update and maintain our website on demand, also as a patient, consistent and diligent volunteer.

Students Audrey Delrieu, Mathilde Ameline, Magali Mainfonds and Fred Meunier also worked hard on our behalf as interns, on marketing, promotion and the organisation of special events during the year: well done to them.

We are most grateful to those supplier and contractor organisations who have been so patient with us during this demanding year, including Triton, PJ Electrics and K&N International.

**THE BRIX AT ST MATTHEWS**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2012**

We could not have survived the year without the help of our professional advisors, Citroen Wells (including their insolvency practitioner who gave us life-saving advice at the critical point in March) and Paul Mendelsohn and Jeremy Ottman of Jeremy Simon & Co. Our staff are to be commended hugely for carrying on through the most worrying of times. And finally, to the trustee body of The Brix, whose members have kept their nerve and have worked together closely and supportively, with huge degrees of trust and mutual reliance and whose intelligence and good sense have guided us through this annus horribilis.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees, who are also the directors of The Brix at St Matthews for the purpose of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 Charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable 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 Charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**THE BRIX AT ST MATTHEWS**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2012**

**AUDITORS**

A resolution to appoint Citroen Wells as auditors for the ensuing year will be proposed at the AGM.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Registered office:  
St Matthews Church  
Brixton Hill  
London  
SW2 1JF

Signed by order of the trustees

M W WILLIAMS  
Charity Secretary  
24 September 2013



**THE BRIX AT ST MATTHEWS**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE**  
**BRIX AT ST MATTHEWS**  
**YEAR ENDED 31 DECEMBER 2012**

We have audited the financial statements of The Brix at St Matthews for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet 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. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, 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.

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 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' Annual Report to identify material inconsistencies with the audited financial statements. 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 charitable company's affairs as at 31 December 2012 and of its 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.

**THE BRIX AT ST MATTHEWS**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE**  
**BRIX AT ST MATTHEWS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2012**

**Emphasis of matter – going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Charity's ability to continue as a going concern. The Charity's principal tenant, Chicks Limited, went into insolvent liquidation during the year, which contributed to the loss for the year of £90,523. In order to enable the Charity to meet its obligations as they fall due, the Trustees have taken active steps to secure new income streams and to curtail costs. New tenants have been secured, and the Hub has been developed as an additional workspace. Loan support has also been secured from the PCC and the Diocese. However, if the Charity were to lose a major income stream and be unable to replace it, these conditions, along with the other matters explained in Note 1 to the financial statements, would indicate the existence of a material uncertainty, which may cast significant doubt about the Charity's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Charity was unable to continue as a going concern.

**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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**David Marks FCA (Senior Statutory Auditor)**

25 September 2013

**for and on behalf of Citroen Wells**  
**Chartered Accountants**  
**Statutory Auditor**

Devonshire House  
1 Devonshire Street  
London W1W 5DR

**THE BRIX AT ST MATTHEWS**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Grant Income	2	-	70,000	70,000	-
Activities for generating funds	3	147,662	-	147,662	291,988
Investment income	4	125	-	125	336
<b>TOTAL INCOMING RESOURCES</b>		<u>147,787</u>	<u>70,000</u>	<u>217,787</u>	<u>292,324</u>
<b>RESOURCES EXPENDED</b>					
Charitable activities		(288,204)	-	(288,204)	(341,980)
Governance costs		(20,106)	-	(20,106)	(30,715)
<b>TOTAL RESOURCES EXPENDED</b>	5	<u>(308,310)</u>	<u>-</u>	<u>(308,310)</u>	<u>(372,695)</u>
<b>NET INCOME/ (EXPENDITURE) FOR THE YEAR/NET MOVEMENT IN FUNDS</b>	8	(160,523)	70,000	(90,523)	(80,371)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>123,946</u>	-	<u>123,946</u>	204,317
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>(36,577)</u>	<u>70,000</u>	<u>33,423</u>	<u>123,946</u>

All of the above amounts relate to continuing activities.

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

The notes on pages 19 to 24 form an integral part of these financial statements.

# THE BRIX AT ST MATTHEWS

## BALANCE SHEET

AS AT 31 DECEMBER 2012

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	11	111,492	56,654
<b>CURRENT ASSETS</b>			
Debtors	12	96,441	118,294
Cash at bank		892	79,349
		<u>97,333</u>	<u>197,643</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(159,402)</u>	<u>(130,351)</u>
<b>NET CURRENT (LIABILITIES) / ASSETS</b>		<b>(62,069)</b>	<b>67,292</b>
<b>CREDITORS: Amounts falling due after one year</b>	14	<b>(16,000)</b>	-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>33,423</b></u>	<u>123,946</u>
<b>NET ASSETS</b>		<u><u><b>33,423</b></u></u>	<u><u>123,946</u></u>
<b>FUNDS</b>			
Unrestricted income funds			
General funds	15	(36,577)	67,292
Fixed Asset reserve	15	-	56,654
Total unrestricted income funds		<u>(36,577)</u>	<u>123,946</u>
Restricted income funds	15	<u>70,000</u>	-
<b>TOTAL FUNDS</b>	15	<u><u><b>33,423</b></u></u>	<u><u>123,946</u></u>

These financial statements were approved by the members of the committee on the 24 September 2013 and are signed on their behalf by:

C M L Clark  
Trustee

Company Registration Number: 2880299

The notes on pages 19 to 24 form an integral part of these financial statements.

# THE BRIX AT ST MATTHEWS

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2012

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006.

#### **Going Concern**

The accounts have been prepared on a going concern basis. The Charity's principal tenant, Chicks Limited, went into insolvent liquidation during the year, which contributed to the loss for the year of £90,523. In order to enable the Charity to meet its obligations as they fall due, the Trustees have taken active steps to secure new income streams and to curtail costs. New tenants have been secured, and the Hub has been developed as an additional workspace. Loan support has also been secured from the PCC and the Diocese. However, if the Charity were to lose a major income stream and be unable to replace it, there may be a significant uncertainty about the ability of the Charity to continue as a going concern. Notwithstanding this, the trustees have considered the future cash flows, and the tenants and activities in place and in view of the steps taken, they consider it appropriate to prepare the accounts on a going concern basis.

#### **Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that it is a small charitable company.

#### **Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Rent receivable is stated net of VAT.

Investment income is recognised on a receivable basis.

#### **Resources expended**

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Direct charitable expenditure comprises expenses incurred in pursuance of the charity's principal activity.

Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

#### **Fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements:	10 years on a straight line basis.
Fixtures, fittings & equipment:	25 % per annum on a reducing basis

# THE BRIX AT ST MATTHEWS

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

**YEAR ENDED 31 DECEMBER 2012**

**Corporation tax**

No liability arises as the company's charitable activities are exempt from corporation tax.

**Fund Accounting**

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

The Fixed Asset reserve is a designated fund established at the discretion of the trustees in recognition of the unrestricted funds used to defray the cost of leasehold improvements.

Restricted funds are funds which have been given for particular purposes and projects.

**2. GRANT INCOME**

	2012	2011
	£	£
Grant from Lambeth Borough Council	<u>70,000</u>	<u>-</u>

**3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS**

	2012	2011
	£	£
Rent and service charges receivable	<u>147,662</u>	<u>291,988</u>

**4. INVESTMENT INCOME**

	2012	2011
	£	£
Interest receivable	<u>125</u>	<u>336</u>

**5. TOTAL RESOURCES EXPENDED**

	Staff Costs	Depreciation	Other Costs	Total 2012	Total 2011
	£	£	£	£	£
<b>Direct charitable expenditure:</b>					
Activities undertaken directly	69,282	17,828	201,094	288,204	341,980
Governance costs	7,698	-	12,408	20,106	30,715
<b>Total</b>	<u>76,980</u>	<u>17,828</u>	<u>213,502</u>	<u>308,310</u>	<u>372,695</u>

# THE BRIX AT ST MATTHEWS

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2012

### 6. ACTIVITIES UNDERTAKEN DIRECTLY

Other costs relating to direct charitable expenditure comprise:	<b>2012</b>	2011
	£	£
Rent	5,248	5,000
Rates and water	4,742	8,446
Light and heat	30,637	25,543
Repairs and maintenance	74,740	39,341
Insurance	23,197	23,066
Other	1,392	2,114
Telephone	2,750	2,002
Postage and stationery	3,125	3,521
Cleaning and refuse	19,770	13,533
Security	30,929	40,014
Bad and doubtful debts and irrecoverable VAT	1,325	5,235
Marketing, advertising and events	2,818	5,431
Staff training	421	180
Exceptional item – bad debt	-	93,147
	<u>201,094</u>	<u>266,573</u>

The exceptional item in 2011 arose as a result of the Charity's principal tenant, Chicks Limited, going into insolvent liquidation after that year end.

### 7. GOVERNANCE COSTS

Other governance costs comprise:	<b>2012</b>	2011
	£	£
Audit fees	5,000	5,000
Accountancy fees	2,470	2,750
Legal and professional	4,442	16,202
Bank charges	496	590
	<u>12,408</u>	<u>24,542</u>

### 8. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:

	<b>2012</b>	2011
	£	£
Depreciation	17,828	19,849
Auditors' remuneration:		
- audit of the financial statements	<u>5,000</u>	<u>5,000</u>

# THE BRIX AT ST MATTHEWS

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2012

### 9. TRUSTEES

None of the trustees (or any persons connected with them) received any remuneration during the year. Expenses for board meetings amounting to £20 (2011: £181) were reimbursed to 1 trustee.

### 10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2012	2011
	£	£
Wages and salaries	69,296	55,010
Social security costs	6,034	5,071
Pensions	1,650	1,650
	<b>76,980</b>	<b>61,731</b>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2012	2011
	No	No
Number of administrative staff	1	1
Number of management staff	1	1
	<b>2</b>	<b>2</b>

No employee received emoluments of more than £60,000 during the year (2011 - Nil).

### 11. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Fixtures & Fittings	Total
	£	£	£
<b>COST</b>			
At 1 January 2012	1,402,172	114,381	1,516,553
Additions	72,027	639	72,666
<b>At 31 December 2012</b>	<b>1,474,199</b>	<b>115,020</b>	<b>1,589,219</b>
<b>DEPRECIATION</b>			
At 1 January 2012	1,363,042	96,857	1,459,899
Charge for the year	13,287	4,541	17,828
<b>At 31 December 2012</b>	<b>1,376,329</b>	<b>101,398</b>	<b>1,477,727</b>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2012</b>	<b>97,870</b>	<b>13,622</b>	<b>111,492</b>
At 31 December 2011	39,130	17,524	56,654



# THE BRIX AT ST MATTHEWS

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2012

### 12. DEBTORS

	2012	2011
	£	£
Trade debtors	24,381	105,721
Grants receivable	70,000	-
Prepayments and accrued income	2,060	12,573
	<u>96,441</u>	<u>118,294</u>

### 13. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	86,727	20,268
Taxation and social security	9,423	22,350
Diocese and PCC loans	27,000	-
Other creditors	1,235	18,535
Accruals and deferred income	35,017	69,198
	<u>159,402</u>	<u>130,351</u>

### 14. CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Diocese loan	<u>16,000</u>	<u>-</u>

The Diocese loan is wholly repayable within five years by instalments. The loan carries interest at 3.5% above Bank Base Rate.

### 15. CAPITAL COMMITMENTS

At 31 December 2012, The Brix had committed capital expenditure of £5,968.

### 16. CONTINGENT ASSETS

The Charity is in negotiations with the PCC regarding possible service charges receivable under the terms of its sub-lease. The negotiations are on-going and as the amounts involved are uncertain, no provision has been made for them in these accounts.

**THE BRIX AT ST MATTHEWS**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2012**

**17. ANALYSIS OF TOTAL FUNDS**

	Unrestricted funds		Total		Total Funds £
	General funds £	Fixed asset reserve £	Unrestricted funds £	Restricted funds £	
At 1 January 2012	67,292	56,654	123,946	-	123,946
Incoming resources	147,787	-	147,787	70,000	217,787
Resources expended	(308,310)	-	(308,310)	-	(308,310)
Transfers between funds	56,654	(56,654)	-	-	-
<b>At 31 December 2012</b>	<b>(36,577)</b>	<b>-</b>	<b>(36,577)</b>	<b>70,000</b>	<b>33,423</b>

**18. ANALYSIS OF RESTRICTED FUNDS**

	At 1 January 2012 £	Incoming resources £	Resources expended £	At 31 December 2012 £
Hub development	-	70,000	-	70,000
<b>Total</b>	<b>-</b>	<b>70,000</b>	<b>-</b>	<b>70,000</b>

**Purpose of restricted funds:**

The Hub development fund represents £70,000 of grant income received from Lambeth Borough Council to enable the conversion of half a floor of the building into a “Hub”, or a managed workspace. The conversion was ongoing at the year end, with costs capitalised in the accounts as fixed assets. If within seven years the Hub ceases to be used for the purpose for which the grant was given or the conditions of the grant agreement cease to be met, a proportionate sum calculated on a pro-rata basis over the seven year life of the grant agreement is repayable to Lambeth Borough Council.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General Unrestricted funds £	Restricted Funds £	Total 2012 £
Tangible fixed assets	41,492	70,000	111,492
Net current assets	(62,069)	-	(62,069)
Creditors falling due after more than a year	(16,000)	-	(16,000)
<b>Net Assets</b>	<b>(36,577)</b>	<b>70,000</b>	<b>33,423</b>

# THE BRIX AT ST MATTHEWS

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2012

This page does not form part of the statutory financial statements that are the subject of the independent auditors' report on pages 15 to 16.

	2012	2011
	£	£
<b>INCOMING RESOURCES</b>		
<b>ACTIVITIES FOR GENERATING FUNDS</b>		
Grants	70,000	-
Rent receivable	147,662	291,988
<b>INVESTMENT INCOME</b>		
Bank interest receivable	125	336
<b>TOTAL INCOMING RESOURCES</b>	<u>217,787</u>	<u>292,324</u>
<b>RESOURCES EXPENDED</b>		
Rent	5,248	5,000
Rates & Water	4,742	8,446
Light & heat	30,637	25,543
Repairs & maintenance	74,740	39,341
Insurance	23,197	23,066
Other	1,141	2,114
Telephone	2,750	2,002
Post and stationery	3,125	3,521
Cleaning and refuse	19,770	13,533
Security	30,929	40,014
Bad and doubtful debts and irrecoverable VAT	1,325	5,235
Marketing, advertising and events	2,818	5,431
Exceptional item – bad debt	-	93,147
Salaries and wages	69,296	55,010
Employer's NIC	6,034	5,071
Pensions	1,650	1,650
Audit & accountancy fees	7,470	7,750
Legal and professional	4,442	16,202
Depreciation	17,828	19,849
Bank charges	496	590
Interest payable	251	-
Staff training	421	180
<b>TOTAL OUTGOING RESOURCES FOR THE YEAR</b>	<u>308,310</u>	<u>372,695</u>