

COMPANY REGISTRATION NUMBER 2880299

1061039
31/12/08

THE BRIX AT ST MATTHEWS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2008

No 6
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Charity Number 1061039

THE BRIX AT ST MATTHEWS
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

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THE BRIX AT ST MATTHEWS
TRUSTEES ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2008

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 December 2008.

LEGAL STATUS AND GOVERNING DOCUMENT

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.

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.

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

OBJECTIVES OF THE BRIX AT ST MATTHEWS

To preserve for the public benefit of the people of greater London ("the area of benefit") and of the Nation at large the historical, architectural and constructional heritage of the Church of St Matthew, Brixton.

To provide facilities for recreation with the objects of life and social welfare of the inhabitants in the area of the benefit and in particular by the provision and maintenance of a community centre.

To advance education for those living in the area of benefit and to undertake any other charitable activity.

RESULTS

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statements.

THE TRUSTEES

The trustees who served the charity during the period were as follows:

C M L Clark
M W Williams
P A C Blake
N Tate
O C Delahaye (appointed 10 June 2008)

Secretary

M W Williams

Auditors

Citroen Wells
Devonshire House
1 Devonshire Street
London W1W 5DR

THE BRIX AT ST MATTHEWS
TRUSTEES ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2008

Legal and Administrative Details

Registered charity name	The Brix at St Matthews
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
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.

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. They believe that there is in place adequate controls and systems to mitigate any external and internal risks that the charity may face.

In 2008, the trustees assessed the internal business, building-related and operational risks, and continued to strengthen the management systems and procedures of the organisation. Regular reviews took place, and reports were produced and acted upon.

DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS IN 2008

Chair's Report for 2008

This is the fifteenth Annual Report of The Brix at St Matthews.

As stated above, 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.

In 1994, shortly after its establishment as a company, The Brix at St Matthews was granted a 125 year head lease on St Matthews Church by the Diocese of Southwark. Apart from the building itself, The Brix has no assets of its own, and to pay its way depends entirely on the revenue it receives from leasing, licensing and hiring spaces in the building to tenants and occasional users.

THE BRIX AT ST MATTHEWS

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The Brix at St Matthews could be described as a 'community business' or 'social enterprise' in that its running costs are funded exclusively by income generated as a result of the activities it pursues. The only grants received by The Brix to date have been for the physical refurbishment of the St Matthews building, which is Grade II* Listed by English Heritage and sits at the heart of the Brixton Conservation Area on a prominent town centre site.

St Matthew's Church was constructed between 1822 and 1824 in a classical Greek style as one of a set of four churches at key junctions in the then still rural parish of Lambeth. The four churches were named after the four evangelists, Matthew, Mark, Luke and John.

St Matthews 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. Its portico and its stained glass window are particularly fine, and are among the features which make it an outstanding example amongst the 75 church buildings of its era built by the newly established Church Building Commission with an 1818 grant from Parliament.

During the 1960s and 70s, the building became increasingly dilapidated and difficult to maintain and run in an affordable way. The vicar and congregation at the time aspired to have a building which was usable for a wider variety of community purposes, and this led to the development of plans for an internal conversion which would consist of the construction of several floors within the shell of the original building, each occupied by several charities and community groups. The conversion plans were revolutionary and caused much excitement at the time, but would not be allowed today in a building of this quality.

Although the magnificent exterior of this very fine building has fortunately been preserved, the interior now consists of six floors linked by a central, circular staircase. The sub-divided internal spaces are still occupied by a variety of building users. The building was extensively refurbished in 1993 – 1994 and 2001 – 2002 with the assistance of grants from English Heritage, the local City Challenge company in Brixton and several charitable trusts and donations.

The Building

The Brix fulfils a very important role just in looking after the St Matthews building, and making sure it is preserved in 'historical, architectural and constructional terms', as our objects spell out. This is costly, and has to be done in compliance with specifications and standards set down by English Heritage and the Conservation Department of Lambeth Council.

However, we want to go further than this, and be part of the local community, offering facilities that can be used for educational, recreational, social and charitable purposes by local people and those from other boroughs in London. St Matthews is one of hundreds of London buildings available for use by arts and community groups, charities and commercial or private users. Some of these venues are 'cheap and cheerful' and others – many of which are beautiful, historic buildings – offer rather more salubrious, well-appointed facilities to the organisations and individuals who might want to hire them.

In 2008, trustees resolved that we would invest in order to upgrade the facilities we have to offer in order to provide better facilities to its users. However, it is inevitable that buildings which are open to the public suffer from a certain amount of wear and tear, and expenditure has to be incurred to put right these constant dilapidations.

THE BRIX AT ST MATTHEWS

TRUSTEES ANNUAL REPORT

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During 2007, we paid for or commissioned about £35,000 of repairs, upgrades and maintenance for the building in order to ensure that the building was brought up to the best possible standards of decoration, cleanliness and user-friendliness that our budgets would allow. In 2008, we spent in the order of £40,000 on maintenance and repairs, the servicing and cleaning of fixtures and fittings and on upgrading our facilities for the benefit of all our users. This included an upgrade of the kitchen and toilet areas and an essential repair to a faulty part of the roof. Four offices on the sixth floor were wholly refurbished. About £10,000 was spent employing a part-time maintenance person to tackle day-to-day repair and redecoration.

We also commissioned a second phase of CCTV cameras in order to improve the security of the building. This helps us to address the vandalism and anti-social behaviour that regularly take place around the building, situated as it is in a very prominent location in central Brixton. The external walls of the building provide a huge blank canvas for local graffiti 'artists' and we have now signed a contract with the Council for the chemical removal of the large numbers of tags that are painted or sprayed all over the south and east walls of the building on at least a monthly basis.

In the summer, trustees made the decision to invest in the refurbishment of the community hall. Income from hall hires was much increased in 2007, as a result of a marketing drive we conducted, and it looked as if 2008 would be as promising. Ultimately, we earned £35,000 from hall hires during the year, an increase of £10,000 over the previous year. We decided to restrict the types of users who would be permitted to use the hall in order to reduce the level of wear and tear on the fabric of the room: private and commercial functions would henceforward be severely restricted. During the autumn, plans were drawn up for the refurbishment of the hall, and the builders finally moved in to undertake the works early in 2009.

The essential repairs to the clock had to be put off because of the damaged platforms and stairs inside the bell tower and the severe pigeon infestation, which had led to the build up of a great deal of guano. Quotes were obtained for the clearance of the latter, and the work was finally done in the early summer of 2009. We obtained quotations from Smith and Derby, specialist clock restorers, and having consulted St Matthews PCC and English Heritage on their preferences, decided not to have the clock mechanism replaced but to go for the less intrusive, more authentic restoration option. The clock menders can begin work as soon as the environment around the clock is safe and hygienic.

In 2007, the M&E engineers commented on the inadequacy of the boilers, and suggested an urgent upgrade of the hot water system for the main part of the building. The boilers finally and irrevocably broke down in 2008, and we had to invest in an alternative means of providing hot water to the common parts of the building.

As has been mentioned in previous annual reports, The Brix is seriously affected by drinking, drug-taking and anti-social behaviour in the garden surrounding the building. This used to be the old cemetery for St Matthews, but it was covenanted to Lambeth Council in the 1950s and was re-designated as a 'Peace Garden'. Although it has a tall railing all around it, the garden is open to all users on a 24-hour basis, and this does lead to drinkers and drug-takers habitually congregating there. During 2008, the Council appointed a landscape architect to draw up plans for an enhanced 'Central Square' area in Brixton, incorporating the Peace Garden. This involves the removal of the railings and the incorporation of the garden into a larger paved plaza at the bottom of Brixton Hill. We have great reservations about the plans as formulated - although it is clear that action is needed on the local problems - and it is possible that they might be vetoed by English Heritage and the Diocese of Southwark because as they stand, they interfere with a burial ground in which bodies have been interred within the last 150 years.

THE BRIX AT ST MATTHEWS

TRUSTEES ANNUAL REPORT

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Tenants, licence holders and other users

One of the reasons that the building was originally put into the care of a charitable company was so that what had once been a 'redundant' Church of England church would not have to be closed down or sold because of its huge running costs, in the process making the St Matthews congregation homeless. Since the building was substantially altered between the 1970s and 1980s, St Matthews Church has shared it with a variety of other users. Since 1994, this has been through the mechanism of our charitable company, The Brix at St Matthews.

The Brix's main tenant is therefore the Parish Church Council and the congregation of St Matthew's Church. The church occupies half the ground floor and has exclusive use as an entrance of the original 1820s doors on to the magnificent portico on the western end of the building.

However, the St Matthews building continued to be occupied in 2008 by between nine and eleven tenants and licence holders.

The management of relationships with these tenants and other users is critical to the success of our organisation. This includes balancing the claims and interests of all the stakeholders in the building, whilst preserving and maintaining its fabric for the future use and enjoyment of all.

The two other long-term tenants in the building include Mass Nightclub, which has held a lease on the fourth floor of the building since September 2002, and the Babalou bar, which has occupied the crypt since 2005, both businesses owned by Chicks Ltd.

The office spaces on the sixth floor remained in occupation by a variety of small charities and businesses which occupy the spaces on licence. These include Pegasus Opera, specialising in bringing grand opera to the inner city, Rocket, a PR and marketing company for musicians and Engage Publishing, a design and print company. Corporate Security, a private company providing a range of security services occupied another of the offices on the sixth floor. Independance, a charity specialising in teaching urban dance to disadvantaged young people which had moved in during the summer of 2007 had to give up its offices in early 2008 because of a shortage of funding. During the autumn, trustees were obliged to evict one of the licence holders for non payment of rent: a court case is scheduled to attempt to recover these arrears.

GroundUp Development took one of the newly refurbished offices on the sixth floor during the spring of 2008. GroundUp is a small charity specialising in working with disaffected local youth. The other vacant office was taken by a private individual as storage space.

In the spring of 2008, a new Tenants Pack was introduced in the interests of good estate management. This gives vital information about terms and conditions to the tenants and licence holders, and lays down some ground-rules which enable us to manage the relationships in the building in a structured and even-handed way. So, for example, the Tenants Pack outlines security arrangements, fire and risk management procedures, health and safety requirements and the permitted uses of common parts.

During the second quarter of the year, the licence fee for the occupiers of the offices on the sixth floor was increased by 10%. This was the first time the fees had been increased for many years: rents and room hire rates at The Brix have traditionally been very competitive in comparison with those of other office and hall hire providers because the facilities have always been so modest. As the building is refurbished and brought up to a higher standard, we can contemplate charging higher rates for the use of our spaces.

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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 internal and external users.

During the year, the Brix Community Hall was used by our tenants Pegasus and Independance as a rehearsal space, and also by other arts and cultural groups. The Samba Club continued to hire the hall on Thursday and Sunday evenings for classes. Pegasus continued to hold weekly choir sessions. Christ's Apostolic Church continued to hold services in the hall on Sundays, as it has for many years. We also had regular evening bookings from various local societies, community and political groups, as well as Lambeth Council, who hired the room for several consultative meetings. The hall was also extensively used for castings, auditions and rehearsals for several West End plays. As a result of marketing during 2007, the hall came to the attention of some theatre companies, including the RSC, and several casting agencies, who have made repeated use of it. A film company based itself in the room in the summer of 2008 whilst it shot a film for TV on location in Brixton and Stockwell.

Staffing

In March 2008, our Manager, Mike Bradley, handed in his notice: he was headhunted by a business associate to work on a private sector project which offered far higher levels of pay and benefit. We thanked Mike for his 18 months' service with The Brix, during which he greatly formalised our internal policies and procedures, particularly those concerned with health and safety and risk management. He put in place an annual schedule to ensure that we deal promptly with our regulatory requirements and the renewal of the certificates that we are statutorily obliged to acquire.

In April 2007, a new Administrator, Leticia Jones, had joined The Brix. She worked part-time as she studied for a qualification as a Christian counsellor and set up her own small charitable initiative to deal with guns and crime. In April 2008, Leticia was offered a job with a Christian organisation which works with disaffected young people, so we wished her well with a new job that so closely matched her interests. Leticia had very usefully spent much of her time on marketing and promotion of The Brix hall, and the increase in income from this source in 2008 was down to her efforts in this regard.

For three months, the basic responsibilities of the manager role were undertaken by building manager temps provided by an employment agency. A recruitment process took place between April and July 2008 which resulted in the appointment of Mark Morrison to the Manager post. Mark came to us from a private company, with a background in personnel management and contract / service management and delivery. He has made a very strong contribution to the management of The Brix since his arrival.

Trustees decided not to fill the Administrator position for the time being. We decided to take a few months to rethink the role and its responsibilities, and consider whether to focus more on marketing or maintenance for this second permanent post.

Trustees' heartfelt thanks go to Lesley Bingham, a highly experienced recruitment and selection consultant, who assisted us on a voluntary basis with the redrafting of job descriptions and person specifications, and with manpower planning issues.

John Googe, a highly experienced freelance accountant who specialises in working for clients in the charitable sector, including other property-management charities, continued to offer part-time accountancy services to The Brix. His services have also been invaluable to us.

Michael Salmon continued to deliver the sub-contracted security / reception service for The Brix in 2008, and we rely greatly on his commitment, loyalty and hard work.

THE BRIX AT ST MATTHEWS

TRUSTEES ANNUAL REPORT

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Governance and Trustees

The business of the charitable company is managed by the Council, or the Board of trustees. According to the Articles of Association, they 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.

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. In the event, the only existing member of the company is the Parish Church Council of St Matthews. The PCC has the right to appoint two members of the Council, or the Board. Were there any other members, they would be entitled to appoint one member of the Council, or Board. Council or Board members can also appoint any person who is willing to join their number through co-option to a maximum of five extra persons.

Board members have used their own contacts and specialised and suitably experienced intermediary agencies to identify and recruit candidates who possess the necessary knowledge and skills to act as trustees of The Brix at St Matthews. At present, the charity has a complement of five trustees and is working actively to increase this to the maximum permitted seven.

Prospective trustees are asked to undertake an induction period of between three and six months before they are formally appointed as trustees. During this time, information is provided on the legal and financial status of the charity, its structure, its activities and the legal, financial and moral duties of charity trustees. 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. It has no sub-committees. It meets between six and twelve times a year to make decisions and supervise the overall governance and management of the charity.

A manager of the charity is appointed by the trustees to manage day-to-day operations, 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.

During 2007, we bade farewell to two valued trustees. One was a delegate from St Matthews Parish Church Council, Vivienne Berry, who moved out of London. Vivienne's departure left a vacancy for a second PCC representative.

During the first part of 2008, two members of the PCC attended a series of board meetings as 'taster' sessions to work out if they would be willing to take on the role of trustee and its responsibilities. As a result of this induction period, Olga Cynthia Delahaye was appointed as a new director / trustee in mid June 2008.

Financial position

The 2007 annual report and accounts highlighted the longer-term refurbishment and restoration needs of the building, as revealed by the various surveys and inspections undertaken by our professional property advisers. The trustees will need to maintain and add to a fund on which we can draw for major capital repairs and the on-going maintenance needs of a historic building that is subjected to heavy usage.

THE BRIX AT ST MATTHEWS
TRUSTEES ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2008

In 2006, we said that the Board had to attempt to increase its income in order to provide for its longer-term needs. The Brix has achieved this in 2007, but it also spent substantial amounts putting right quite a few immediate repairs and investing in some overdue upgrades of the facilities.

2008 saw a welcome further increase in the income of The Brix. After a moratorium of some years, the two major leases now allow for inflationary increases to either rent or service charges or both. Unpaid service charges from previous years were also added to our income in 2008. More income was also generated from the hire of our community hall: income went up from about £25,000 pa to £35,000 in 2008. Altogether, our income went up by over £35,000, an improvement on the previous three years.

However, our costs also increased commensurately in 2008. Once again, there was a gradual upward shift in the prices of services, such as security and cleaning. Utility bills continue to be a major item of expenditure, particularly the water bill for the building. The employment of a part-time maintenance / handyman through our security contractor led to a significant increase in the cost of service contracts. Massive increases in the amounts of vandalism and criminal damage to fixtures and fittings were expensive and distressing, and we had to spend money to put them right immediately for the sake of the appearance of the building.

Three tenants were in default on portions of their rent, service charges or licence fees, and we were obliged to spend more on legal fees in attempts to recover these arrears. Legal action is being taken to recover the arrears, but a small provision has been made for bad debt.

The statement of financial activities set out on page 14 of the financial statements shows how the charity's incoming resources have been expended in the year ended 31 December 2008.

Total incoming resources amounted to £267,227, which comprised rental income of £263,111 and bank interest received of £4,116.

Resources expended amounted to £262,212, with £244,965 defrayed on direct charitable expenditure and £17,247 on governance costs. An analysis of the resources expended is provided in notes 4 to 6 of the financial statements.

The surplus for the year was £5,015.

The balance sheet set out on page 15 of the financial statements shows the financial position of the charity at 31 December 2008.

The trustees committed £15,875 to fixtures and fittings during the year. After deducting the charge for depreciation, the net book value of fixed assets amounted to £1,275,340.

The current assets and current liabilities amounted to £140,146 and £42,310 respectively.

The resulting net assets amounted to £1,373,176, which is represented by the closing balance on the unrestricted and restricted funds of £193,064 and £1,180,112 respectively.

THE BRIX AT ST MATTHEWS

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2008

Reserves Policy

The trustees have operated a 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 any other sources of income through variations in business conditions. The agreed policy of trustees is to aim to hold sufficient funds to help mitigate the risks outlined in this paragraph. The trustees consider that the ideal sum to hold as reserves for these purposes is around £130,000, being about 50% of the charity's current annual turnover. The actual sum on deposit is just under £74,000, as the trustees were forced to take around £10,000 off deposit in 2008 to cover underpayments by tenants. These underpayments are currently being pursued.

Attention will have to be paid in 2009 and beyond to increasing the level of funds placed on deposit, not only to cover possible vagaries in income, but also in order to build up funds to cover the identified refurbishment costs of the building over the coming five to ten years.

Outlook for 2009

The Trustees will continue with their basic strategy – which is to continue to raise income to maintain the historic building of St Matthews and to provide a recreational, cultural and educational facility for local people – by letting out space to tenants and to regular, occasional and one-off users.

The surveys we commissioned in 2007 set out the challenges ahead. We must continue to think about how to raise in the region of £600,000 for our longer-term restoration and renovation needs. In the meantime, we must continue to keep the building up to a standard which makes it attractive to users, particularly the groups that might hire our community hall. Significant efforts went into this day-to-day maintenance in 2007 and 2008, and our managers have expended considerable amounts of effort to ensure that all policies and procedures, risk assessments, certificates and statutory / regulatory requirements have been thoroughly addressed so that the building can be safe and pleasant for its users.

London Borough of Lambeth's plans for the centre of Brixton could impact on us quite significantly, and we have engaged an architect to help us with the necessary Listed Building Consent and Faculty which will be necessary to enable us to protect the building from its surroundings (for example, by erecting new gates and railings around our part of the Peace Garden site). Still outstanding is the Listed Building Consent for the changes to our entrances and exits demanded by Lambeth Council's health and safety consultant.

In 2007, we began to implement our plans to widen access to the building to a wider range of user groups firstly, by improving the appearance of our community hall, and then by marketing it more vigorously to potential users. This work continued in 2008, but we have a lot more work to do to ensure the hall is used as much as possible throughout the week and at weekends by all sections of the community. We must also ensure that The Brix is recognised in its own right as a contributor to the Brixton arts, cultural and educational scene. Our local profile is not high enough, and our diversification depends on raising awareness of the facilities we could offer.

Thanks and acknowledgements

When our auditor, John West, attended our AGM in July 2008 to discuss the 2007 Annual Report and Accounts, we knew that he was undergoing treatment for cancer, and he looked most unwell. We later learned that within two months, he had sadly succumbed to the cancer. We were very sorry to hear of his demise.

THE BRIX AT ST MATTHEWS
TRUSTEES ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2008

As a result of his death, his very small practice was to be merged with another small accountancy firm specialising in tax issues. We felt this gave us the opportunity to engage an alternative accountancy practice with the appropriate track record to assist with the preparation and audit of our 2008 accounts. After a selection process that long-listed about 15 firms, and a shortlisting process which considered four firms in more depth, trustees decided to ask Citroen Wells to undertake our 2008 audit. The AGM in June 2009 will vote on their appointment as permanent replacements for West & Co as our auditors.

My warmest thanks go to my fellow trustees and the PCC and vicar of St Matthews, Stephen Sichel, for their continued commitment, solidarity and support.

The Diocese of Southwark have been understanding landlords, and our professional advisers have contributed a great deal and have greatly helped us to deal with our challenges. Brixton Police have also been of great assistance this year in helping us tackle crime around the building, and we are benefiting from closer relationships with Lambeth councillors and officers.

Caroline Clark
18 June 2009



THE BRIX AT ST MATTHEWS
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2008

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the trustees are required to:

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

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

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.

AUDITORS

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

This report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 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

18 June 2009

THE BRIX AT ST MATTHEWS
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE
BRIX AT ST MATTHEWS
YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of The Brix at St Matthews for the year ended 31 December 2008, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the trustees (who are also the directors of The Brix at St Matthews for the purposes of company law) 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) are set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity 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 trustees' remuneration and transactions with the charity is not disclosed.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable 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.

THE BRIX AT ST MATTHEWS
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE
BRIX AT ST MATTHEWS *(continued)*
YEAR ENDED 31 DECEMBER 2008

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

Citroen Wells

Citroen Wells
Chartered Accountants
Registered Auditor
Devonshire House
1 Devonshire Street
London
W1W 5DR

Dated: 18 June 2009

THE BRIX AT ST MATTHEWS
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Activities for generating funds	2	263,111	—	263,111	226,681
Investment income	3	4,116	—	4,116	4,202
TOTAL INCOMING RESOURCES		<u>267,227</u>	<u>—</u>	<u>267,227</u>	<u>230,883</u>
RESOURCES EXPENDED					
Charitable activities		(233,752)	(11,213)	(244,965)	(211,590)
Governance costs		(17,247)	—	(17,247)	(12,502)
TOTAL RESOURCES EXPENDED	4	<u>(250,999)</u>	<u>(11,213)</u>	<u>(262,212)</u>	<u>(224,092)</u>
NET INCOMING /(OUTGOING) RESOURCES FOR THE YEAR/NET MOVEMENT IN FUNDS					
	7	16,228	(11,213)	5,015	6,791
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>176,836</u>	<u>1,191,325</u>	<u>1,368,161</u>	<u>1,361,370</u>
TOTAL FUNDS CARRIED FORWARD		<u>193,064</u>	<u>1,180,112</u>	<u>1,373,176</u>	<u>1,368,161</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

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 1985.

The notes on pages 16 to 20 form an integral part of these financial statements.

THE BRIX AT ST MATTHEWS

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	10	1,275,340	1,280,910
CURRENT ASSETS			
Debtors	11	43,520	23,841
Cash at bank		96,626	110,792
		<u>140,146</u>	<u>134,633</u>
CREDITORS: Amounts falling due within one year	12	<u>(42,310)</u>	<u>(47,382)</u>
NET CURRENT ASSETS		97,836	87,251
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,373,176</u>	<u>1,368,161</u>
NET ASSETS		<u>1,373,176</u>	<u>1,368,161</u>
FUNDS			
Restricted income funds		1,180,112	1,191,325
Unrestricted income funds		193,064	176,836
TOTAL FUNDS	13	<u>1,373,176</u>	<u>1,368,161</u>

These financial statements were approved by the members of the committee on the 18 June 2009 and are signed on their behalf by:



C M L Clark
Trustee

The notes on pages 16 to 20 form an integral part of these financial statements.

THE BRIX AT ST MATTHEWS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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 1985.

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:	Equal amounts over the remainder of the lease which expires in 2120
Fixtures, fittings & equipment:	25 % per annum on a reducing basis

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.

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

THE BRIX AT ST MATTHEWS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

2. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	2008	2007
	£	£
Rent receivable	<u>263,111</u>	<u>226,681</u>

3. INVESTMENT INCOME

	2008	2007
	£	£
Bank interest receivable	<u>4,116</u>	<u>4,202</u>

4. TOTAL RESOURCES EXPENDED

	Staff Costs	Depreciation	Other Costs	Total 2008	Total 2007
	£	£	£	£	£
Direct charitable expenditure:					
Activities undertaken directly	32,411	21,445	191,109	244,965	211,590
Governance costs	3,602	-	13,645	17,247	12,502
Total	<u>36,013</u>	<u>21,445</u>	<u>204,754</u>	<u>262,212</u>	<u>224,092</u>

5. ACTIVITIES UNDERTAKEN DIRECTLY

Other costs relating to direct charitable expenditure comprise:

	2008	2007
	£	£
Rent	4,988	4,741
Rates and water	12,975	8,090
Light and heat	35,606	28,986
Repairs and maintenance	34,922	18,357
Insurance	16,810	16,320
Other	585	584
Telephone	1,965	2,863
Postage and stationery	1,004	1,303
Cleaning and refuse	23,939	17,552
Security	45,018	34,753
Accountancy fees	9,867	9,785
Staff recruitment	2,234	3,000
Staff training	1,196	1,017
	<u>191,109</u>	<u>147,351</u>

THE BRIX AT ST MATTHEWS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

6. GOVERNANCE COSTS

Other governance costs comprise:	2008	2007
	£	£
Accountancy fees	3,154	2,446
Audit fees	2,750	2,750
Legal and professional	7,254	3,624
Bank charges	487	298
	<u>13,645</u>	<u>9,118</u>

7. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

This is stated after charging:

	2008	2007
	£	£
Depreciation	21,445	19,566
Auditors' remuneration:		
- audit of the financial statements	<u>2,750</u>	<u>2,750</u>

8. TRUSTEES

None of the trustees (or any persons connected with them) received any remuneration during the year. Expenses for board meetings amounting to £163 were reimbursed to 1 trustee.

9. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2008	2007
	£	£
Wages and salaries	33,136	43,752
Social security costs	2,877	4,305
	<u>36,013</u>	<u>48,057</u>

Particulars of employees:

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

	2008	2007
	No	No
Number of administrative staff	-	1
Number of management staff	<u>1</u>	<u>1</u>
	<u>1</u>	<u>2</u>

No employee received emoluments of more than £60,000 during the year (2007 - Nil).

THE BRIX AT ST MATTHEWS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures & Fittings £	Total £
COST			
At 1 January 2008	1,373,917	90,984	1,464,901
Additions	—	15,875	15,875
At 31 December 2008	<u>1,373,917</u>	<u>106,859</u>	<u>1,480,776</u>
DEPRECIATION			
At 1 January 2008	118,063	65,928	183,991
Charge for the year	11,213	10,232	21,445
At 31 December 2008	<u>129,276</u>	<u>76,160</u>	<u>205,436</u>
NET BOOK VALUE			
At 31 December 2008	<u>1,244,641</u>	<u>30,699</u>	<u>1,275,340</u>
At 31 December 2007	<u>1,255,854</u>	<u>25,056</u>	<u>1,280,910</u>

11. DEBTORS

	2008 £	2007 £
Trade debtors	35,381	12,333
Other debtors	4,975	4,972
Prepayments and accrued income	3,164	6,536
	<u>43,520</u>	<u>23,841</u>

12. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	4,597	10,941
Taxation and social security	7,330	3,400
Other creditors	17,180	16,900
Accruals and deferred income	13,203	16,141
	<u>42,310</u>	<u>47,382</u>

THE BRIX AT ST MATTHEWS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

13. ANALYSIS OF TOTAL FUNDS

	Balance at 1 January 2008 £	Incoming Resources £	Resources Expended £	Balance at 31 December 2008 £
Restricted funds	1,191,325	-	(11,213)	1,180,112
Unrestricted funds	176,836	267,227	(250,999)	193,064
Total funds	1,368,161	267,227	(262,212)	1,373,176

Purpose of restricted funds:

The restricted funds represent the residue of grants and donations specifically received for the major refurbishment works carried out in 1993 – 1994 and 2001 – 2002, which were used to defray the cost of the leasehold improvements, which fell to be capitalised in the accounts as fixed assets and are being depreciated over the remaining life of the lease.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted Funds £	Total 2008 £
Tangible fixed assets	95,228	1,180,112	1,275,340
Net current assets	97,836	-	97,836
Net Assets	193,064	1,180,112	1,373,176