

COMPANY REGISTRATION NUMBER 02880299

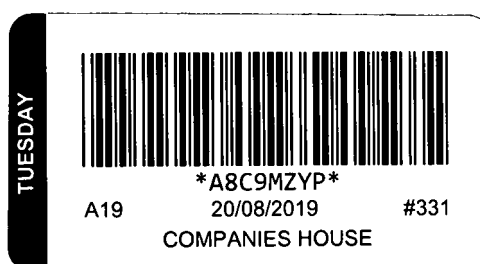
**ST MATTHEW'S CHURCH BRIXTON PCC
BUILDING MANAGEMENT CHARITY**

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 DECEMBER 2018

Charity Number 1061039



**ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT
CHARITY**

**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018**

CONTENTS	PAGE
Trustees' Annual Report (including the Directors' Report)	1-5
Independent Examiner's Report	6-7
Statement of Financial Activities (including the income and expenditure account)	8
Balance Sheet	9
Notes to the Financial Statements	10-18

The following page does not form part of the financial statements

Detailed Statement of Financial Activities	19
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ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

The Trustees present their Annual Report (including the Directors' Report) and the financial statements of the St Matthew's Church Brixton PCC Building Management Charity ("St Matthew's") for the year ended 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

THE TRUSTEES

The Trustees, who are also directors for the purposes of company law, held office since 1 January 2018 are as follows:

Rev Dr S Sichel	(Chair)
R Salisbury Jones	(Secretary)
J Murray	
G Johnson	(Resigned 29 April 2018)
P Widdecombe	(Resigned 29 April 2018)
J Atterbury Davies	(Appointed 29 April 2018)

Legal and administrative details during 2018

Registered charity name	St Matthew's Church Brixton PCC Building Management Charity
Status	Charity established as company limited by guarantee (Registered in England and Wales) No 02880299 Registered with the Charity Commission as Number 1061039
Registered office	St Matthew's Church, Brixton Hill, London SW2 1JF
Independent examiner	Marc Levy FCA, 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	Hodders Law, 516 Brixton Road, London SW9 8EN

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 charitable 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 the PCC agreed new Memorandum and Articles of Association and these 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.

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

In the event of the charitable company's dissolution, the liability of the member is limited to £1.

Governance, Membership and Trustees

The sole member of the charitable company is the Parochial Church Council of the Ecclesiastical Parish of St Matthew with St Jude, Brixton (the PCC).

The business of the charitable company is managed by the Board of Trustees or Directors (the Board). The Articles of Association allow the Board to use all powers of the charitable company except those which require a General Meeting of the sole member of the charitable company. The PCC, as sole member, has the option to amend the Articles and Memorandum of Association at a General Meeting.

At a General Meeting of the charitable company held in May 2017 the PCC used its option as sole member to appoint all of the members of its Standing Committee to the board of Trustees. This ensures that Trustees will act in the best interest of the charitable company in accordance with the wishes of its membership.

Existing Trustees are expected to identify their training needs and to take measures to ensure that these needs are met. During 2018 the Board met four times.

Future Plans

The Trustees plan to continue to let the building's offices and spaces to a mix of charities, social enterprises and commercial tenants.

OBJECTIVES AND ACTIVITIES IN 2018

The objects of the charitable company are:

- (a) To preserve for the benefit of the people of Greater London and of the nation at large whatever of the English historical architectural and constructional heritage may exist in and around the area of Brixton in the form of building of particular beauty historical or constructional interest and in particular St Matthews Church
- (b) To provide facilities for recreation with the objects of improving the conditions of life and social welfare of the inhabitants of Greater London ("the area of benefit")
- (c) To advance education for those living in the area of benefit
- (d) To provide a community centre for the benefit of those living in the area of benefit
- (e) To undertake any other charitable activity

In order to achieve the charitable company's objectives, the Trustees confirm that they have given due regard to the Charity Commission's public benefit guidance in deciding what activities the charitable company should undertake.

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

ACHIEVEMENTS AND PERFORMANCE

This year the charitable company has been able to afford to make almost £50,000 worth of urgent repairs to the roof and to the clock tower. This has enabled us to catch up with much of the routine maintenance from the past decade or so. Much of the loose stonework has been fixed, and all of the broken roof tiles have been repaired. Damage from invasive vegetation has been made good, and the wooden boxes housing the mechanism behind the four clock faces have been renewed. Lead flashings have been replaced around the gutters and the entire ridge of the roof has been repointed. During the year Thames Water were persuaded to replace a broken section of the public drain, which serves the building. The works lasted several weeks, and now ensure that the building no longer floods after heavy rainstorms. These humdrum but essential works are crucial to the sustainability of the building.

During the year it was discovered that for almost a decade, a gas meter had been double billed. The PCC and the charitable company had both been paying for the same gas, to two separate gas companies. The refunded amount came to £13,884 which was received by the charitable company during the year ended 31 December 2018.

Public benefit

The most obvious way in which the charitable company has met the Charity Commission's public benefit requirement is that it protects and preserves 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 2011.

Additionally the spaces within the building are let to various charitable and commercial organisations. Some provide facilities for recreation with the objects of improving the conditions of life and social welfare of the inhabitants of Greater London. Gremio de Brixton, a Spanish restaurant, occupies the Crypt. St Matthews Church itself occupies half of the second floor. Carers 4 Carers, the Mayor of Lambeth's charity of the year in 2017, and Nubian Jak, the charity responsible for the African and Caribbean War memorial on Windrush Square, both occupy offices on the second floor, alongside a local builder and a brand communications agency. The School of Communication Arts 2.0, a college of further education occupies the fourth floor, and Groundswell Network Support UK, a homeless charity, occupies the entire top floor of the building.

RISK MANAGEMENT

The Board of Trustees is aware of its responsibility to ensure that the major risks to which the charitable company is exposed are identified and to establish systems to mitigate those risks. Trustees continue to review controls and systems, to mitigate any current and future external and internal risks that the charitable company might face.

FINANCIAL REVIEW

The Statement of Financial Activities set out on page 8 of the financial statements shows how the charitable company's incoming resources have been expended in the year ended 31 December 2018.

Total incoming resources amounted to £247,040 (2017: £187,067). Resources expended amounted to £233,535 (2017: £184,335) on charitable activities. The resulting surplus for the year was £13,505 (2017: £2,732).

The Balance Sheet set out on page 9 of the financial statements shows the financial position of the charitable company at 31 December 2018.

The Trustees committed £7,483 to fixtures and fittings during the year. After deducting the charge for depreciation, the net book value of fixed assets amounted to £44,024.

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

The current assets and current liabilities amounted to £121,556 and £177,645 respectively. The net liabilities amounted to £12,065, which are represented by a deficit on the unrestricted funds of £27,065 and a closing balance on the restricted funds of £15,000.

In 2012, the Trustees stated that there was a significant uncertainty about the ability of the charitable company to continue as a going concern. Seven years on, the Trustees are now confident about the charitable company's ability to continue as a going concern, especially after another surplus this year significantly reducing the deficit, and with the continued support from the PCC.

Notwithstanding this, the Trustees have considered the future cash flows and the new tenants and activities that are established in the building; in view of the steps taken, they consider it appropriate to prepare the financial statements on a going concern basis.

Reserves Policy

The charity has had no reserves since 2013. It is unlikely that reserves will be restored in the foreseeable future. The long term policy is to regain enough reserves to cover unexpected needs.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the Directors of the charitable company 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 that 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.

**ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT
CHARITY**

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2018

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemptions.

The Trustees' report was approved by the Board of Trustees.

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

Signed by order of the Trustees



Rev Dr S Sichel
Trustee
1/7/19

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

YEAR ENDED 31 DECEMBER 2018

I report to the trustees on my examination of the financial statements of the charitable company for the year ended 31 December 2018, which are set out on pages 8 to 18.

Responsibilities and basis of report

As the charity trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charitable company's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement – matter of concern identified

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In carrying out my examination, I have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the charitable company's ability to continue as going concern. The charitable company's former principal tenant, Chicks Limited, went into insolvent liquidation during 2012, the ongoing impact of which contributed to the deficit on the unrestricted funds of £27,065 at the balance sheet date. In order to enable the charitable company 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 charitable company were to lose a major income stream and be unable to replace it or the loan support was withdrawn, these conditions would indicate the existence of a material uncertainty, which may cast significant doubt about the charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the charitable company were unable to continue as a going concern.

**ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT
CHARITY**

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF
ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY**

YEAR ENDED 31 DECEMBER 2018

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the financial statements to be reached.

Use of this report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My independent examination work has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for my independent examination work, for this report, or for the opinions I have formed.



Marc Levy FCA
Chartered Accountant (Institute of Chartered Accountants in England and Wales)

Citroen Wells
Devonshire House
1 Devonshire Street
London
W1W 5DR

Date: 4 July 2019

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
INCOME AND ENDOWMENTS FROM:					
Other trading activities	2	247,001	-	247,001	179,520
Donations and legacies	3	-	-	-	7,500
Investments	4	39	-	39	47
TOTAL INCOME:		247,040	-	247,040	187,067
EXPENDITURE ON:					
Charitable activities	5	(223,535)	(10,000)	(233,535)	(184,335)
TOTAL EXPENDITURE		(223,535)	(10,000)	(233,535)	(184,335)
NET INCOME/ (EXPENDITURE) FOR THE YEAR/NET MOVEMENT IN FUNDS	7	23,505	(10,000)	13,505	2,732
RECONCILIATION OF FUNDS:					
Total funds brought forward		(50,570)	25,000	(25,570)	(28,302)
TOTAL FUNDS CARRIED FORWARD		(27,065)	15,000	(12,065)	(25,570)

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 10 to 18 form an integral part of the financial statements

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

BALANCE SHEET

AS AT 31 DECEMBER 2018

FIXED ASSETS:

Tangible assets	10	44,024	61,589
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CURRENT ASSETS:

Debtors	11	43,473	32,503
Cash at bank and in hand		78,083	44,444
		121,556	76,947

LIABILITIES:

Creditors: Amounts falling due within one year	12	(177,645)	(164,106)
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NET CURRENT LIABILITIES

	(56,089)	(87,159)
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TOTAL NET LIABILITIES

	(12,065)	(25,570)
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THE FUNDS OF THE CHARITY:

Unrestricted funds		(27,065)	(50,570)
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Restricted income funds	16	15,000	25,000
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TOTAL CHARITY FUNDS

	17	(12,065)	(25,570)
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The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 for the year ended 31 December 2018. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The Trustees are responsible for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board on 11/7/19 and are signed on their behalf by:

Rev Dr S Sichel
Trustee



Company Registration Number: 02880299

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

General information and basis of Accounting

St Matthew's is a company limited by guarantee registered in England and Wales and is governed by its Memorandum and Articles of Association. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. St Matthew's is also a registered charity in accordance with the Charities Act 2011. The address of the registered office is given in the charitable company information on page 1 of these financial statements. The nature of the charitable company's operations and principal activities are set out in the Trustees' Annual Report.

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

St Matthew's constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of St Matthew's. Monetary amounts in these financial statements are rounded to the nearest £.

Going Concern

The financial statements have been prepared on a going concern basis despite the deficit on the unrestricted funds of £27,065 at the balance sheet date. The PCC have confirmed their ongoing financial support in order to enable the charitable company to meet its obligations as they fall due, the Trustees have taken active steps to secure new income streams and to curtail costs. However, if the charitable company were to lose a major income stream and be unable to replace it or the loan support was withdrawn, there may be a significant uncertainty about the ability of the charitable company 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 financial statements on a going concern basis.

Cash flow statement

The charitable company has taken advantage of the exemption from the requirement to prepare a cash flow statement on the grounds that it is a small charitable company.

Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

Incoming resources

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

Rent receivable is stated net of VAT.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charitable company has control over the item. Fair value is determined on the basis of the value of the gift to the charitable company. For example the amount the charitable company would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Investment income is recognised on a receivable basis.

Resources expended

Resources expended are included in the statement of financial activities on an accruals basis.

Expenditure on charitable activities comprises expenses incurred in pursuance of the charitable company's principal activities.

Governance costs, which are included in expenditure on charitable activities, are those incurred in the governance of the charitable company and its assets and are primarily associated with constitutional and statutory requirements.

Corporation tax

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

Employee benefits

Termination payments are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

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
Hub equipment:	7 years on a straight line basis
Other fixtures, fittings & equipment:	25% per annum on a reducing basis

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of fixed assets

At each reporting period end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the charitable company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of financial activities, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of financial activities, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. They are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (CONTINUED)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

Leases and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. The finance element of the rental obligation is charged to the statement of financial activities over the period of the lease.

Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. INCOME FROM OTHER TRADING ACTIVITIES

	2018 £	2017 £
Rent and service charges receivable	<u>247,001</u>	<u>179,520</u>

3. INCOME FROM DONATIONS AND LEGACIES

	2018 £	2017 £
Donated services	<u>-</u>	<u>7,500</u>

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

4. INCOME FROM INVESTMENTS

	2018	2017
	£	£
Interest receivable	39	47

5. EXPENDITURE ON CHARITABLE ACTIVITIES

Expenditure on charitable activities comprises:	2018	2017
	£	£
Wages and salaries (incl. pension)	31,034	-
Rent	4,621	4,621
Rates and water	12,775	13,608
Light and heat	31,002	35,028
Repairs and maintenance	51,432	18,220
Insurance	18,440	18,964
Other	1,820	2,258
Telephone	(4,055)	17,236
Postage and stationery	143	113
Cleaning and refuse	19,405	7,548
Security	4,620	1,815
Bad and doubtful debts	4,139	-
Irrecoverable VAT	6,856	5,499
Marketing, advertising and events	590	15
Legal and professional	14,064	17,375
Depreciation	25,048	24,355
Interest payable	-	2,150
Governance costs (see note 6)	11,601	15,530
	<u>233,535</u>	<u>184,335</u>

6. GOVERNANCE COSTS

Governance costs comprise:	2018	2017
	£	£
Audit fees – under provision in relation to the prior year	-	3,000
Independent examiner fees	5,750	4,000
Legal and professional	5,616	8,227
Bank charges	235	303
	<u>11,601</u>	<u>15,530</u>

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

7. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2018 £	2017 £
Depreciation		
- owned	22,113	21,420
- leased	2,935	2,935
Independent examiner's remuneration:		
- independent examination of the financial statements	5,750	4,000
- under provision of audit fees in relation to the prior year	-	3,000

8. TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year. No Trustees were reimbursed for expenses incurred in the year.

9. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2018 £	2017 £
Wages and salaries (incl. pensions)	31,034	-

Particulars of employees:

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

	2018 No	2017 No
Number of administration staff	1	-

No employee received emoluments of more than £60,000 during the year (2017 - Nil).

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

10. TANGIBLE FIXED ASSETS

	Leaschold Improvements £	Fixtures & Fittings £	Total £
COST			
At 1 January 2018	1,500,523	155,912	1,656,435
Additions	-	7,483	7,483
At 31 December 2018	1,500,523	163,395	1,663,918
DEPRECIATION			
At 1 January 2018	1,460,405	134,441	1,594,846
Charge for the year	16,709	8,339	25,048
At 31 December 2018	1,477,114	142,780	1,619,894
NET BOOK VALUE			
At 31 December 2018	23,409	20,615	44,024
At 31 December 2017	40,118	21,471	61,589
<i>Leased assets included above:</i>			
NET BOOK VALUE			
At 31 December 2018	-	4,404	4,404
At 31 December 2017	-	7,339	7,339

11. DEBTORS

	2018 £	2017 £
Trade debtors	11,329	11,603
Prepayments and accrued income	20,850	19,329
Other debtors	9,768	-
Taxation and social security	1,526	1,571
	43,473	32,503

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

12. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	48,395	47,247
Taxation and social security	10,662	-
Diocese and PCC loans	-	37,136
Other creditors	28,067	21,976
Net obligations under finance leases	-	3,439
Accruals and deferred income	90,521	54,308
	<u>177,645</u>	<u>164,106</u>

Deferred income comprises rent and service charges received in advance.

Included in other creditors is £1,475 in respect of funds held by the charitable company on behalf of the local deaneries' Lambeth County Show organising committee.

13. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	21,097	11,603
Carrying amount of financial liabilities		
Measured at amortised cost	128,790	149,107

14. CAPITAL COMMITMENTS

At 31 December 2018, St Matthew's had no committed capital expenditure (2017: £Nil).

15. OPERATING LEASE COMMITMENTS

At 31 December 2018, St Matthew's had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
	479,300	484,000

The annual rental cost under the lease agreement for St Matthew's Church is "5% of net rents". The lease agreement expires in 2120. Accordingly, the outstanding lease commitment has been estimated based on an annual charge of £4,700, over the remaining 103 years of the lease. As the annual rent may vary, the actual rent payable may differ to the estimate of £4,700.

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

16. ANALYSIS OF RESTRICTED FUNDS

	At 1 January 2018 £	Incoming resources £	Resources expended £	At 31 December 2018 £
Hub development	25,000	-	(10,000)	15,000
Total	25,000	-	(10,000)	15,000

Purpose of restricted funds:

The Hub development fund represents grant income received from the London Borough of Lambeth Council in 2012 to enable the conversion of half a floor of the building into a "Hub", or a managed workspace. The conversion was completed during 2015, with costs capitalised in the financial statements as fixed assets. Under the terms of the agreement, there is a clawback of the grant if the Hub ceases to be used within seven years of receipt.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Unrestricted funds £	Restricted Funds £	Total 2018 £
Tangible fixed assets	29,024	15,000	44,024
Net current liabilities	(56,089)	-	(56,089)
Net (Liabilities)/Assets	(27,065)	15,000	(12,065)

18. RELATED PARTIES

The remuneration of key management personnel, who are not Trustees, during the year was £31,034 (2017: £nil).

Resources expended for the year ended 31 December 2018 include provision for rent payable to the Diocese of £4,621 (2017: £4,621). The accumulated provision at 31 December 2018 amounted to £19,621 (2017: £19,621).

At 31 December 2017, a loan of £36,230 was owed to the PCC. Interest was charged on the loan based on the Bank of England base rate plus 2%. This loan was fully repaid during the year. At the year-end, the charitable company owed the PCC £2,410 for income collected on its behalf.

ST MATTHEW'S CHURCH BRIXTON PCC BUILDING MANAGEMENT CHARITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2018

This page does not form part of the statutory financial statements that are the subject of the independent examiner's report on pages 6 to 7.

	2018 £	2017 £
INCOME AND ENDOWMENTS FROM:		
Rent and Service charges	247,001	179,520
Donations and legacies	-	7,500
Investment income	39	47
TOTAL INCOME	247,040	187,067
EXPENDITURE ON CHARITABLE ACTIVITIES:		
Wages and salaries (incl. pension)	31,034	-
Rent	4,621	4,621
Rates and Water	12,775	13,608
Light and heat	31,002	35,028
Repairs and maintenance	51,432	18,220
Insurance	18,440	18,964
Other	1,820	2,258
Telephone	(4,055)	17,236
Post and stationery	143	113
Cleaning and refuse	19,405	7,548
Security	4,620	1,815
Bad and doubtful debts	4,139	-
Irrecoverable VAT	6,856	5,499
Advertising	590	15
Independent examiner	5,750	7,000
Legal and professional	19,680	25,602
Depreciation	25,048	24,355
Bank charges	235	303
Interest payable	-	2,150
TOTAL EXPENDITURE	233,535	184,335