

Registered Charity: 1022336
A Company Limited by Guarantee No. 2722361

MATRIX ARTS CENTRE

ANNUAL REPORT AND UNAUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

**MATRIX ARTS CENTRE
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FOR THE YEAR ENDED 31 AUGUST 2020**

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**MATRIX ARTS CENTRE
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020**

Directors:

Dr S M Pinchin
Mr D Griffiths
Mrs K A Rushton

Registered & Business Office:

15-17 The Nursery
Sutton Courtenay
Abingdon
Oxon
OX14 4UA

Independent Examiner:

Caroline Webster FCA
Ross Brooke Ltd
Suite 1 Windrush Court
Abingdon Business Park
Abingdon
OX14 1SY

Bankers:

Barclays Bank PLC
30 Market Square
Witney
Oxfordshire
OX28 6BJ

**MATRIX ARTS CENTRE
TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

Constitution

The Charity is a company limited by guarantee and governed by its Memorandum and Articles of Association dated 9 March 1992.

Principal Activity and Achievements

Matrix Arts Centre is an arts education charity housed in a purpose-built, award-winning building owned by the charity. The main activity of the charity is the running of the music school but it also offers some art, dance and fitness activities.

Matrix offers music scholarships for families who would otherwise be unable to afford it. Around 500 students aged from 2 years through to adults attend each week.

Students and supporters are given opportunities to take part in performances, take music and dance exams, and attend concerts and related social events, including our professional concert series 'Music at Matrix'.

Response to the pandemic

From April 2020 music courses were moved online. The centre managed to keep a good percentage of its students but no new classes were able to start. As the building was closed from April to the end of the financial year, the centre lost all revenue from room hire during this period. Looking ahead, the centre will reopen when permitted and new students will be welcomed. Covid grant applications will be made as appropriate.

Financial Review

The charity reported decreased income this year of £207,223 (2019: £231,605) and net surplus £18,924 (2019: £20,950). The Trustees ensure that adequate cash balances are held to meet liabilities, and that surplus funds are invested.

Risk Management

The Trustees regularly review the major risks which the charity faces and confirm that steps are taken where necessary to reduce those risks.

Reserves Policy

The Trustees aim to keep three months expenditure in free reserves.

Recruitment and Appointment of New Trustees

The trustees, whilst not having a formal recruitment policy, look for opportunities to appoint as trustees' people who would be of benefit to the charity.

Responsibilities of the Trustees

The Trustees (who are also directors of the Matrix Arts Centre) are responsible for preparing the Trustees' 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 the 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

**MATRIX ARTS CENTRE
TRUSTEES REPORT (CONTINUATION)
FOR THE YEAR ENDED 31 AUGUST 2020**

Responsibilities of the Trustees (continued)

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 accounts comply with the Companies Act 2006. They 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.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the 2011 Charities Act to have due regard to public benefit guidance published by the Charity Commission.

The report has been prepared in accordance with section 419(2) of the Companies Act 2006 relating to small companies.

Approved by the Trustee Board on 14th May, 2021



Dr S M Pinchin
Trustee

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
MATRIX ARTS CENTRE**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2020 which are set out on pages 5 to 10.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 and that an independent examination is needed. That charity's gross income was below £250,000. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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 charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


Caroline Webster FCA
Ross Brooke Ltd

Windrush Court
Abingdon Business Park
Abingdon
OX14 1SY

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MATRIX ARTS CENTRE
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Restricted Funds 2020	Unrestricted Funds 2020	Total Funds 2020	Total Funds 2019
	£	£	£	£
Income and expenditure				
Incoming Resources from charitable activities				
Fees received	-	196,789	196,789	201,231
Concert sales	-	1,765	1,765	5,259
Sheet music sales	-	67	67	-
Room hire	-	7,143	7,143	10,203
Other income	-	1,459	1,459	1,912
Grant Income	-	-	-	13,000
Total income	-	207,223	207,223	231,605
Expenditure on charitable activities:				
Staff				
Teachers fees	-	93,238	93,238	91,972
Administration fees	-	15,337	15,337	17,738
Premises				
Premises expenses	-	13,868	13,868	19,911
Insurance	-	3,877	3,877	3,567
Sundry	-	3,546	3,546	3,474
Depreciation –Building	2,400	9,395	11,795	11,795
Support costs				
Exam fees and music expenses	-	31,406	31,406	40,728
Advertising	-	215	215	819
Printing, postage, stationery and telephone	-	1,601	1,601	4,306
Sundry	-	569	569	3,717
Insurance	-	300	300	300
Depreciation – Plant & machinery	-	6,057	6,057	4,373
Other interest payable	-	5,386	5,386	6,875
Professional Fees	-	1,104	1,104	1,080
Total Resources Expended	2,400	185,899	188,299	210,655
Net Income (expenditure) for year	(2,400)	21,324	18,924	20,950
Total funds brought forward	21,625	150,690	172,315	151,365
Total funds carried forward	19,225	172,014	191,239	172,315

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**MATRIX ARTS CENTRE
BALANCE SHEET
AS AT 31 AUGUST 2020**

	Notes	2020		2019	
		£	£	£	£
Fixed Assets					
Tangible assets	3		322,444		329,184
Current Assets					
Cash at bank and in hand		109,131		90,246	
Liabilities					
Creditors - Amounts due within one year	4	(7,380)		(7,380)	
Net Current Assets			101,751		82,866
Total Assets less Current liabilities			424,195		412,050
Creditors- Amounts falling due after more than one year	4		(232,956)		(239,735)
Net Assets			191,239		172,315
The Funds of the Charity					
Unrestricted income funds	7		172,014		150,690
Restricted funds	7		19,225		21,625
Total Charity Funds			191,239		172,315

The notes on pages 7 to 10 form part of these accounts.

The directors are satisfied that the company was entitled to exemption under section 477 of the Companies Act 2006 and that members have not required an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

1. ensuring that the company keeps accounting records which comply with Section 386; and
2. preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

These financial statements were approved and authorised on 14th May 2021

ON BEHALF OF THE TRUSTEES



Dr S M Pinchin (Trustee)

**MATRIX ARTS CENTRE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's accounts.

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in compliance with the Charities Act 2011, the Charities Statement of Recommended Practice (FRS 102), and FRS 102, The Financial Reporting Standard, applicable in the UK and Republic of Ireland. The financial statements have been prepared on a going concern basis. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(b) Tangible Fixed Assets and Depreciation

Tangible fixed assets are capitalised at historic cost less depreciation which is calculated to write off the cost of fixed assets on a reducing basis over their estimated useful economic lives to their estimated residual values at the following rates:

Freehold buildings	- 1% on cost and 10% for extension
Office furniture	- 25% reducing balance
Motor vehicles	- 25% reducing balance.

Assets are reviewed annually for impairment. The charity has a de minimis limits of £100 for the capitalisation of fixed assets.

(c) Income

All income resources are included in the statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received. The following specific policies are applied to the following categories of income:

Donations – For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Grants – Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that income will be received, and the amount can be measured reliably.

Donated goods, facilities and services – 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 charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

(d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is possible that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings;

- Charitable expenditure – These are costs incurred on the charitable activities, including support costs and costs relating to the governance of the charity apportioned to charitable activities.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Resources expended are recognised in the year to which they relate. Irrecoverable VAT is included in the relevant heading.

**MATRIX ARTS CENTRE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Fund Accounting

Unrestricted funds are general funds that are available for use at the trustee's discretion in the furtherance of the objects of the charity. Designated funds are those earmarked by the trustees for use in a particular area or for specific areas.

3. Fixed Assets

	Freehold Land	Freehold Buildings £	Plant and Machinery £	Total £
Cost:				
At 1 April 2019	120,042	230,330	104,574	454,946
Additions	-	-	11,112	11,112
Disposals	-	-	-	-
At 31 August 2020	120,042	230,330	115,686	466,058
Depreciation:				
At 1 April 2019	-	34,305	91,457	125,762
Disposals	-	-	-	-
Charge in year	-	11,795	6,057	17,852
At 31 August 2020	-	46,100	97,514	143,614
Net Book Value:				
At 31 August 2020	120,042	184,230	18,172	322,444
At 31 August 2019	120,042	196,025	13,117	329,184

4. Creditors – Amounts due within one year

	2020 £	2019 £
Other creditors and accruals	<u>7,380</u>	<u>7,380</u>
	7,380	7,380

Creditors – Amounts Falling Due After One Year

	2020 £	2019 £
Other loans	<u>232,956</u>	<u>239,735</u>

There is a charge on borrowings held over the freehold land and buildings.

MATRIX ARTS CENTRE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

5. Related Party Transactions

No trustee received any remuneration or expenses during the year.
The charity contracted self employed teachers during the year.
There are no employees earning over £60,000.

The charity has a loan from a related party, Lindsay MacKenzie, the centre Manager. There is currently no repayment plan in place. At the year end the outstanding amount was £187,482 (2019: £188,018).

6. Comparative 2019 Statement of Financial Activities

	Total Funds 2019	Total Funds 2018
	£	£
Incoming Resources from charitable activities		
Fees received	201,231	208,278
Concert sales	5,259	4,188
Sheet music sales	-	80
Room hire	10,203	6,634
Other Income	1,912	2,319
Grant Income	13,000	13,000
Total income	231,605	234,499
Expenditure on charitable activities:		
Staff		
Teachers fees	91,972	102,613
Administration fee	17,738	20,620
Premises		
Rent and rates	19,911	18,609
Insurance	3,567	3,356
Sundry	3,474	22,789
Depreciation – land and building	11,795	2,099
Support costs		
Exam fees and music expenses	40,728	37,519
Advertising	819	568
Printing, postage, stationery and telephone	4,306	638
Sundry	3,717	2,391
Insurance	300	300
Depreciation –plant and machinery	4,373	2,523
Other interest payable	6,875	7,626
Professional Fees	1,080	2,000
Total Resources Expended	210,655	223,651
Net Income for year	20,950	10,848
Total funds brought forward	151,365	140,517
Total funds carried forward	172,315	151,365

MATRIX ARTS CENTRE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

7. Analysis of net assets between funds

	Restricted	Unrestricted Funds	Total 2020
Tangible Fixed assets	19,225	303,219	332,444
Current Assets	-	109,131	109,131
Liabilities	-	(240,336)	(240,336)
Net assets at 31 August 2020	<u>19,225</u>	<u>172,014</u>	<u>191,239</u>

The restricted fund relates to grants amounting to £26,000 for the new extension in 2018. The fund is being written off over the period over which the extension is being depreciated.