

THE HIGHBURY CENTRE

England & Wales · Charity number 1113000

Details

Other names	THE FOREIGN MISSIONS CLUB 2005
Status	Registered
Legal form	Charitable company
Company number	05422555
Registered	2006-02-15
Register	View on the Charity Commission register

Contact

Address	20 -26 Aberdeen Park Highbury London N5 2BJ
Phone	020 7226 2663
Email	enquiries@thehighburycentre.org
Website	www.thehighburycentre.org

Activities

Objects: THE PROVISION OF GUEST HOUSES FOR THE RECEPTION ACCOMMODATION BOARDING AND MAINTENANCE OF FOREIGN AND HOME MISSIONARIES AND CHRISTIAN FRIENDS WITH THE INTEREST AND OBJECT OF MAINTAINING SUCH GUEST HOUSES AS PROTESTANT EVANGELICAL GUEST HOUSES AND FOR THE PROMOTION OF SUCH OTHER RELIGIOUS OR CHARITABLE PURPOSES AS THE TRUSTEES THINK FIT.

Activities: Provision of guest houses for the reception, accommodation, boarding and maintenance of foreign and home missionaries and Christian friends.

Classification

- **How:** Provides Services
- **What:** Accommodation/housing
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£863,443	£797,821	£2,546,031	10
2023-12-31	£854,959	£776,416	£2,841,475	14
2022-12-31	£639,667	£622,186	£2,746,155	12
2021-12-31	£260,326	£404,812	-	-
2020-12-31	£403,036	£509,102	-	-

Trustees

Name	Role	Appointed
Hendrik Lourens Martinus Du Plessis	Chair	2023-01-26
Grant John Noel Farrant		2024-10-31
Janet Ann Campbell		2019-05-02
Rev Prakash Thankachan		2023-06-14

Accounts

Charity registration number 1113000 (England and Wales)

Company registration number 05422555

THE Highbury Centre
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



THE HIGHBURY CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs J Campbell Mr H L M Du Plessis Mr I Feltham Rev P Thankachan Mr G Farrant	(Appointed 31 October 2024)
Senior management	Mr C Cherrill Miss H Kovalchuk Miss M Gedrych	General Manager (from 1 July 2024) House Manager (from 1 April 2025) Company Secretary (from 1 April 2025)
Charity number (England and Wales)	1113000	
Company number	05422555	
Principal address	20-26 Aberdeen Park Highbury London N5 2BJ	
Registered office	20-26 Aberdeen Park Highbury London N5 2BJ	
Auditor	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
Bankers	Barclays Bank plc PO Box 3474 London NW1 7NQ	
Solicitors	Keelys 28 Dam Street Lichfield Staffordshire WS13 6AA	
Investment advisors	RBC Brewin Dolphin 12 Smithfield Street London EC1A 9LA	

THE Highbury Centre

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THE Highbury Centre

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

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 charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

The objects of the charity are the provision of guest houses for the reception, accommodation, boarding and maintenance of foreign and home missionaries and Christian friends with the interest and object of maintaining such guest houses as Protestant Evangelical guest houses and for the promotion of other religious or charitable purposes as the trustees think fit. Since 1st September 2006 the charity has run the Highbury Centre London which exists to provide attractive accommodation for missionaries, Christian workers, overseas visitors, students and others in London. This includes bed and breakfast, and conference accommodation.

The Centre has 40 rooms and 16 of the rooms provide en-suite accommodation. To facilitate all of this it is important that the buildings are well maintained and remain welcoming to guests. When reviewing the provision of facilities and services to guests for the year, the trustees have considered the Charity Commission's guidance on public benefit. In addition, management keeps under review methods to save energy and be more environmentally sustainable, including looking to recycle wherever possible.

In addition to providing all guests and students with the chance to experience opportunities for spiritual development, pastoral care and the opportunities to meet and network with others, one of the many other benefits provided to guests is through discounted rates for missionaries, Christian workers and to a lesser extent, students.

Achievements and performance

Significant activities and achievements against objectives

Overall Guest nights are down from 16,198 in 2023 to 15,535 in 2024. The number of guests benefitting from the Christian Worker discounted rates decreased from 6020 in 2023 to 5369 in 2024. However, the number of Guest nights as part of a Christian Worker group increased from 3390 in 2023 to 3532 in 2024. Furthermore, the number of student guest nights increased from 2023 to 2449 in 2024.

2024 saw the start of some major changes within The Highbury Centre. Following an internal audit of existing systems and processes it was agreed to move fully to online accounting. The move to online accounting was achieved towards the end of 2024.

Towards the end of 2024 a plan was developed and agreed to migrate the bookings system away from Roommaster to a more fit-for-purpose system called Preno - the migration was accomplished in early June 2025 and we are already seeing the benefits, including integration with online accounting, secure online payments, and guests having access to room availability as well as being able to book and pay online.

The internal audit highlighted the need to restructure the existing organisational structure. The restructuring, completed early 2025, included changing job descriptions, contracts, hours of work, and salaries. We now pay our employees a London Living Wage and all of our staff are on fixed hours contracts.

Financial review

The amounts receivable from guest and staff accommodation was £775,049 (2023: £770,576), receivable from investments and donations £88,394 (2023: £86,902). Total amounts receivable in 2024 was £863,443 (2023: £857,478) of which £789,136 (2023: £768,491) was spent on direct charitable activities, and total expenditure in the period was £797,821 (2023: £776,416). After losses on investments of £361,066 (2023: gain £14,258) this resulted in a net loss of £295,444 (2023: surplus £95,320) and total funds carried forward of £2,546,031 (2023: £2,841,475).

The part of these funds held in realisable investments had a value of £439,247 (2023: £424,804) at year-end. The trustees have also set aside £20,000 (2023: £20,000) to provide a bursary fund which is available to enable guests with limited resources to enjoy the facilities. Further details of the financial results for the year are given in the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the accompanying notes.

THE Highbury Centre

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Reserves policy

It is the trustees' policy to operate with a maximum 'operational' reserve of £250,000. The £250,000 operational reserve equates to approximately 6 months operational expenditure enabling the charity to continue operating in the event of financial difficulties.

A 'free' reserve of £1,000,000 will be held to fund potential developments and capital expenditure projects which will be phased over a number of years. At present the net current assets stand at £294,728 which is significantly less than this target level. However, the sale of 98 Aberdeen Park will bring the free reserves up to the desired level.

Investment policy

The trustees have continued to use RBC Brewin Dolphin as investment managers. The policy adopted, is one of a medium risk strategy based on maximising income and the investment managers are working towards the target return discussed with the trustees. The trustees also continue to monitor the performance of the investments in light of current market conditions. The charity has made such investments to generate a return and has made no social investments.

Major risks

The trustees have reviewed how risk management is undertaken on a regular basis. A new risk management register has been created based upon the primary areas of risk within the organisation, including financial, governance, operational, and missional. The new risk register will help to assess all major risks to which the charity is exposed and to ensure that systems remain in place to mitigate their exposure to major risk. The first review was undertaken at the July 2025 trustee meeting.

Following a detailed risk assessment carried out by PiB Risk Management we are undertaking various actions which were highlighted in the assessment to further mitigate risk. These risks are managed with the assistance of professional advisers, having robust policies in place, and regular training for all staff.

Plans for future periods

During 2024 and into 2025 the trustees have undertaken a number of surveys to identify the needs of the building and grounds. The Highbury Centre is a relatively old building and has been well used over the years since first opening its doors. Working in partnership with a firm of architects a Master Plan is being developed with the aim of looking to the future and how to create a fit for purpose guest house to welcome Christian Workers from all over the world. Furthermore, and in conjunction with the development of a Master Plan for the building, the trustees are also reviewing the core purpose of The Highbury Centre with the aim of making sure we are meeting the needs of all of our guests.

As there is no necessity to hold onto the Charity's investment property, 98 Aberdeen Park, London N5 and the interest on the loans and management costs were now well in excess of the rents received from the property, the trustees took the decision on 9 May 2024 to sell the property. Following taking appropriate advice and securing a Charities Act Report and valuation from chartered surveyors in accordance with s. 119 of the Charities Act, the trustees are now in the process of selling this property.

The trustees remain positive about the future and following the return of occupancy rates achieved in the past look forward to modest surpluses in the next few years. Future developments remain difficult to predict and occupancy rates and cash flows will continue to be closely monitored. With the continuingly high real rates of inflation in some costs and salaries, these continue to be of concern and will also continue to be monitored very closely.

Structure, governance and management

The charity is a company limited by guarantee, incorporated on 12th April 2005 with the name The Foreign Missions Club 2005 and it was registered with the Charity Commission on 15th February 2006. The company is now governed by its Articles of Association, as amended on 27th July 2023, which established the objects and powers of the charitable company and governs its activities. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

On 1st September 2006 the company took over the assets, undertaking and employees of the Foreign Missions Club (Charity number: 227866). On 6th August 2008 the company changed its name to The Highbury Centre.

THE Highbury Centre

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr P Brenells	(Resigned 31 October 2024)
Mrs J Campbell	
Mr H L M Du Plessis	
Mr I Feltham	
Miss E A McPherson	(Resigned 31 October 2024)
Mr J Barr	(Resigned 30 January 2025)
Rev P Thankachan	
Mr G Farrant	(Appointed 31 October 2024)

Recruitment and appointment of trustees

Trustees are appointed by a majority vote of the board of trustees. The Articles of Association provides for a minimum of three trustees and a maximum of fifteen. (The trustees for the purposes of company law are directors of the company).

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and the decision-making processes and the recent performance of the charity. They meet key employees and the other trustees.

Mr C M Thompson, the Company Secretary, retired January 2025. The trustees want to thank Mr Thompson for his many years of service to the Charity.

Organisational structure

The operations of the charity are conducted through the General Manager (GM), or House Manager (HM) in his absence, in accordance with the policy and strategy approved by the trustees. The trustees assist the Management by being involved in practical support of the work, and in the area of the spiritual ministry of the Centre. The GM and HM report directly to the trustees and regularly meet formally with the full board of trustees to review the financial status and progress of the charity. The key management personnel of the charity include the above and are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee received any remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Notes 10 and 27 to the financial statements.

The remuneration of the General Manager and House Manager is reviewed annually. In view of the nature of the charity's activities, the trustees try to benchmark pay levels in other Centres and local guest houses. The salaries of the House Team are based upon the London Living Wage.

Auditor

In accordance with the company's articles, a resolution proposing that Caladine Limited be reappointed as auditor of the company will be put at a General Meeting.

THE Highbury Centre

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

HLM du Plessis

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Mr H L M Du Plessis

Trustee

Date: 2025-09-11
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THE Highbury Centre

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors of The Highbury Centre for the purpose of company law, 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 charity 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 judgements 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 charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE Highbury Centre

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE Highbury Centre

Opinion

We have audited the financial statements of The Highbury Centre (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 30 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THE Highbury Centre

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE Highbury Centre

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, Charities Act 2011 and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE Highbury Centre

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE Highbury Centre

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

C J Dadswell

Mr Colin James Dadswell FCCA (Senior Statutory Auditor)

For and on behalf of Caladine Limited, Statutory Auditor

Chartered Certified Accountants

Chantry House

22 Upperton Road

Eastbourne

East Sussex

BN21 1BF

Date: 2025-09-12

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THE Highbury Centre

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	3	483	2,580
Charitable activities	4	775,049	770,576
Investments	5	87,911	84,322
Total income		863,443	857,478
Expenditure on:			
Raising funds	6	8,685	7,925
Charitable activities	7	789,136	768,491
Total expenditure		797,821	776,416
Net gains/(losses) on investments	12	(361,066)	14,258
Net income/(expenditure) and movement in funds		(295,444)	95,320
Reconciliation of funds:			
Fund balances at 1 January 2024		2,841,475	2,746,155
Fund balances at 31 December 2024		2,546,031	2,841,475

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE Highbury Centre

BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14	1,107,140		1,143,989	
Investment property	15	1,962,500		2,355,000	
Investments	16	439,247		424,804	
		3,508,887		3,923,793	
Current assets					
Stocks	17	2,114		2,739	
Debtors	18	4,883		51,726	
Cash at bank and in hand		397,110		279,107	
		404,107		333,572	
Creditors: amounts falling due within one year	20	(109,379)		(152,588)	
Net current assets		294,728		180,984	
Total assets less current liabilities		3,803,615		4,104,777	
Creditors: amounts falling due after more than one year	21	(1,257,584)		(1,263,302)	
Net assets		2,546,031		2,841,475	
The funds of the charity					
Unrestricted funds	24	2,546,031		2,841,475	
		2,546,031		2,841,475	

The financial statements were approved by the trustees on 2025-09-11

HLM du Plessis

Mr H L M Du Plessis
Trustee

Company registration number 05422555 (England and Wales)

THE Highbury Centre

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	28		25,619		3,561
Investing activities					
Purchase of tangible fixed assets		(6,800)		-	
Purchase of investments		-		(94,580)	
Proceeds from disposal of investments		16,991		82,772	
Investment income received		87,911		84,322	
Net cash generated from investing activities			98,102		72,514
Financing activities					
Repayment of bank loans		(5,718)		21,618	
Net cash (used in)/generated from financing activities			(5,718)		21,618
Net increase in cash and cash equivalents			118,003		97,693
Cash and cash equivalents at beginning of year			279,107		181,414
Cash and cash equivalents at end of year			397,110		279,107

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

The Highbury Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 20-26 Aberdeen Park, Highbury, London, N5 2BJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, and no material uncertainties exist regarding this assumption. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are expendable at the discretion of the trustees in furtherance of their charitable objectives. Designated funds are unrestricted funds set aside by the trustees for specific purposes. The charity does not have any restricted funds.

1.4 Income

Accommodation charges and meals income are accounted for on a receivable basis, net of VAT.

Investment income and bank interest are the amounts received for the year.

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the charity for its use, these are capitalised at the estimated market value at the date of the gift and included in other income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

1.5 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including governance costs are charged directly to the activity when incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. Plant, fixtures and fittings costing less than £2,500 are written off as an expenses as incurred.

Freehold land and buildings	Not depreciated - see below
Major improvements	4% straight line basis

The Charity's policy is to maintain its freehold property to a high standard through a continual programme of maintenance. The trustees consider that the residual value of the property is such that it renders any depreciation immaterial and consequently no annual depreciation charge is shown in the accounts. Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Investments are stated at fair value. Realised and unrealised gains are reflected through the Statement of Financial Activities.

1.9 Impairment of fixed assets

At each reporting end date, the charity 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).

1.10 Stocks

Stocks comprises provisions and house sundries which are included at a net realisable valuation made by the manager.

1.11 Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening the deposit.

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.13 Taxation

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

1.14 Employee benefits

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

1.15 Retirement benefits

The charity operates a defined contribution scheme. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

2 Critical accounting estimates and judgements

In the application of the charity'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.

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	483	2,580

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable activities		
Amounts receivable for accomodation, meals & conferences	775,049	770,576

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	68,649	66,929
Income from listed investments	14,485	15,375
Interest receivable	4,777	2,018
	87,911	84,322

6 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Advertising	4,999	4,336
Other fundraising costs	3,686	3,589
	8,685	7,925

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

7 Expenditure on charitable activities

	Charitable activities	Charitable activities
	2024	2023
	£	£
Direct costs		
Staff costs	344,396	318,164
Depreciation and impairment	43,649	43,377
Electricity & gas	36,600	59,376
Insurance	36,140	32,610
Rates & refuse collection	11,170	12,758
Repairs, renewals & improvements premises	46,160	49,664
Furniture & equipment	2,754	9,178
Road Charges	2,400	2,230
Gardening	2,497	110
Hire of equipment	9,031	9,320
House sundries	6,375	7,550
Laundry & cleaning	33,395	14,537
Provisions & purchases for incidental sales & charges	55,023	58,851
Staff training	452	799
Project costs	15,314	-
	<u>645,356</u>	<u>618,524</u>
Share of support and governance costs (see note 8)		
Support	109,720	126,245
Governance	34,060	23,722
	<u>789,136</u>	<u>768,491</u>
Analysis by fund		
Unrestricted funds - general	<u>789,136</u>	<u>768,491</u>

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

8 Support costs allocated to activities

	2024 £	2023 £
Staff costs	7,628	6,903
Bank charges & interest	537	466
Computer equipment & internet charges	6,443	4,557
Credit card charges	16,709	15,843
Office telephone & mobiles	2,217	2,337
Mortgage interest	70,527	94,656
Stationery, postage & sundries	5,659	1,483
Governance costs	34,060	23,722
	<u>143,780</u>	<u>149,967</u>
<u>Analysed between:</u>		
Charitable activities	<u>143,780</u>	<u>149,967</u>

	2024 £	2023 £
Governance costs comprise:		
Audit fees	6,800	5,800
Accountancy	12,268	17,649
Legal and professional	14,992	273
	<u>34,060</u>	<u>23,722</u>

9 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	6,800	5,800
- for other financial services	2,000	-
Depreciation of owned tangible fixed assets	<u>43,649</u>	<u>43,377</u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

2024 Number	2023 Number
<u>14</u>	<u>15</u>

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

11 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	327,257	297,410
Social security costs	20,306	17,999
Other pension costs	4,461	9,658
	<u>352,024</u>	<u>325,067</u>

Redundancy and termination payments totalling £17,495 were made in the reporting period.

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	<u>34,132</u>	<u>38,042</u>

12 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	30,548	16,777
Sale of investments	886	(2,519)
Revaluation of investment properties	(392,500)	-
	<u>(361,066)</u>	<u>14,258</u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

14 Tangible fixed assets

	Freehold land and buildings	Major improvements	Total
	£	£	£
Cost			
At 1 January 2024	511,660	1,084,429	1,596,089
Additions	-	6,800	6,800
At 31 December 2024	511,660	1,091,229	1,602,889
Depreciation and impairment			
At 1 January 2024	-	452,100	452,100
Depreciation charged in the year	-	43,649	43,649
At 31 December 2024	-	495,749	495,749
Carrying amount			
At 31 December 2024	511,660	595,480	1,107,140
At 31 December 2023	511,660	632,329	1,143,989

15 Investment property

	2024 £
Fair value	
At 1 January 2024	2,355,000
Net gains or losses through fair value adjustments	(392,500)
At 31 December 2024	1,962,500

Investment property comprises four flats at 98 Aberdeen Park, London N5. The flats are currently in the process of being sold as detailed further in note 25. The fair value of the property as at 31 December 2024 is based on the agreed sale prices.

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

16 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2024	424,804
Valuation changes	30,548
Disposals	(15,380)
At 31 December 2024	439,972
Carrying amount	
At 31 December 2024	439,972
At 31 December 2023	424,804

17 Stocks

	2024 £	2023 £
Provisions and house sundries	2,114	2,739

18 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Due from guests	-	44
Other debtors	3,809	14,240
Prepayments and accrued income	1,074	37,442
	4,883	51,726

19 Loans and overdrafts

	2024 £	2023 £
Bank loans	1,257,584	1,263,302
Payable after one year	1,257,584	1,263,302

The company has two Suffolk Building Society loans each of £750,000 and both repayable by February 2032. They are secured by way of a fixed charge on the company's premises, 20-26 Aberdeen Park and 98 Aberdeen Park, London N5 and bear interest, one at a fixed rate of 3.99% from 1st December 2021. The other at a variable rate of 0.75% below the Society's commercial standard variable rate (currently 7.94%) until 31st January 2032. The trustees consider the loans to represent significantly less than the value of the secured properties, which have a carrying value of £3,498,989.

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

19 Loans and overdrafts (Continued)

There are no plans in place for the charity to make any further capital repayments in the coming year. This is reflected in Creditors: Amounts falling due within one year (note 20).

20 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		21,638	25,852
Deferred income	22	50,500	62,705
Trade creditors		24,493	43,956
Accruals		12,748	20,075
		<u>109,379</u>	<u>152,588</u>

21 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	19	<u>1,257,584</u>	<u>1,263,302</u>

22 Deferred income

	2024 £	2023 £
Other deferred income	<u>50,500</u>	<u>62,705</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	<u>50,500</u>	<u>62,705</u>
Movements in the year:		
Deferred income at 1 January 2024	62,705	82,141
Released from previous periods	(58,742)	(76,864)
Resources deferred in the year	<u>46,537</u>	<u>57,428</u>
Deferred income at 31 December 2024	<u>50,500</u>	<u>62,705</u>

Deferred income relates to amounts invoiced for accommodation, meals and conferences for the 2025 financial year and beyond.

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

23 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	4,461	9,658

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

24 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 December 2024 £
Bursary fund	20,000	-	-	-	20,000
Improvement of premises	632,330	-	(65,066)	-	567,264
Refurbishment reserve	45,000	-	-	-	45,000
General funds	2,144,145	863,443	(732,755)	(361,066)	1,913,767
	<u>2,841,475</u>	<u>863,443</u>	<u>(797,821)</u>	<u>(361,066)</u>	<u>2,546,031</u>
Previous year:	At 1 January 2023 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 December 2023 £
Bursary fund	20,000	-	-	-	20,000
Improvement of premises	675,707	-	(43,377)	-	632,330
Refurbishment reserve	45,000	-	-	-	45,000
General funds	2,005,448	857,478	(733,039)	14,258	2,144,145
	<u>2,746,155</u>	<u>857,478</u>	<u>(776,416)</u>	<u>14,258</u>	<u>2,841,475</u>

The designated funds were set aside by the trustees as follows:

Bursary fund - money set aside to provide bursaries for less well-off guests.

Improvement of premises fund - money set aside to fund the improvements to the facilities.

Refurbishment reserve - money set aside to maintain the premises in a first class condition.

25 Operating lease commitments

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

25 Operating lease commitments (Continued)

	2024 £	2023 £
Within one year	12,303	72,000

26 Events after the reporting date

The investment property, 98 Aberdeen Park, London N5, has been sold subject to contract after the reporting period at an estimated value of £1,960,000.

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

27 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The charity paid for trustee indemnity insurance of £1,843 (2023 £1,619) on behalf of the trustees as part of its combined insurance policy.

A relative of key management personnel was employed by the charity and received a gross salary of £23,091(2023: £22,595). Employers' National Insurance was £3,427 (2023: £1,781).

28 Cash generated from operations	2024 £	2023 £
(Deficit)/surplus for the year	(295,444)	95,320
Adjustments for:		
Investment income recognised in statement of financial activities	(87,911)	(84,322)
(Gain)/loss on disposal of investments	(886)	2,519
Fair value gains and losses on investment properties	392,500	-
Fair value gains and losses on investments	(30,548)	(16,777)
Depreciation and impairment of tangible fixed assets	43,649	43,377
Movements in working capital:		
Decrease/(increase) in stocks	625	(619)
Decrease/(increase) in debtors	46,843	(11,946)
(Decrease) in creditors	(31,004)	(4,555)
(Decrease) in deferred income	(12,205)	(19,436)
Cash generated from operations	25,619	3,561

29 Analysis of changes in net (debt)/funds

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	279,107	118,003	397,110
Loans falling due after more than one year	(1,263,302)	5,718	(1,257,584)
	<u>(984,195)</u>	<u>123,721</u>	<u>(860,474)</u>

THE Highbury Centre

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

30 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

CERTIFICATE *of* SIGNATURE

REF. NUMBER
SSD6G-CRHAZ-RMYFP-QGTYM

DOCUMENT COMPLETED BY ALL PARTIES ON
12 SEP 2025 08:49:54 UTC

SIGNER

HLM DU PLESSIS

EMAIL
LOURENSDP@GMAIL.COM

TIMESTAMP

SENT
11 SEP 2025 06:39:19 UTC
VIEWED
11 SEP 2025 06:40:19 UTC
SIGNED
11 SEP 2025 06:41:42 UTC

SIGNATURE

HLM du Plessis

IP ADDRESS
94.1.7.7

LOCATION
WORCESTER, UNITED KINGDOM

RECIPIENT VERIFICATION

EMAIL VERIFIED
11 SEP 2025 06:40:19 UTC

COLIN DADSWELL

EMAIL
COLIN@CALADINE.CO.UK

SENT
11 SEP 2025 06:39:19 UTC
VIEWED
12 SEP 2025 08:48:35 UTC
SIGNED
12 SEP 2025 08:49:54 UTC

C J Dadswell

IP ADDRESS
212.221.142.158

LOCATION
EASTBOURNE, UNITED KINGDOM

RECIPIENT VERIFICATION

EMAIL VERIFIED
12 SEP 2025 08:48:35 UTC



Accounts

THE Highbury Centre
(A company limited by guarantee
and not having a share capital)

ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023

Company number: 05422555
Charity number: 1113000

THE Highbury Centre
(A company limited by guarantee
and not having a share capital)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2023

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THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2023

The trustees present their report and the financial statements for the charity for the year ended 31st December 2023 which have been prepared in accordance with accounting policies set out in Note 1 to the financial statements and comply with the Charity's 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)' (effective 1 January 2019).

Reference and administrative information

The company is a registered charity and a company limited by guarantee with no share capital (Charity number: 1113000, Company number: 05422555, incorporated in England and Wales). The company's registered office is 20-26 Aberdeen Park, Highbury, London N5 2BJ.

Trustees:

The following served during the year and appointed for the following year:

Mr P Brenells	
Mrs J Campbell	
Mr I Feltham	
Miss E A McPherson	
Mr J Barr	(Appointed 2 nd November 2023)
Mr H L M Du Plessis	(Appointed 26 th January 2023)
Rev P Thankachan	(Appointed 14 th June 2023)

Company Secretary Mr C M Thompson

Key Management Personnel:

Chair of Trustees	Mr H L M Du Plessis	(Appointed 27 th July 2023)
Manager	Mrs S Scalora	(To 2 nd November 2023)
Acting Manager	Miss H Kovalchuk	(From 8 th November 2023)
Manager	Mr C Cherrill	(From 1 st July 2024)

Our advisers:

Bankers	Barclays Bank plc PO Box 3474 London NW1 7NQ
Solicitors	Pothecary Witham Weld 70 St George's Square London SW1 3RD
Investment advisers	RBC Brewin Dolphin 12 Smithfield Street London EC1A 9LA
Auditors	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

Structure, Governance and Management

The charity is a company limited by guarantee, incorporated on 12th April 2005 with the name The Foreign Missions Club 2005 and it was registered with the Charity Commission on 15th February 2006. The company is now governed by its Articles of Association, as amended on 27th July 2023, which established the objects and powers of the charitable company and governs its activities. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

On 1st September 2006 the company took over the assets, undertaking and employees of the Foreign Missions Club (Charity number: 227866). On 6th August 2008 the company changed its name to The Highbury Centre.

Appointment and induction of trustees

Trustees are appointed by a majority vote of the board of trustees. The Articles of Association provides for a minimum of three trustees and a maximum of fifteen. (The trustees for the purposes of company law are directors of the company).

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and the decision-making processes and the recent performance of the charity. They meet key employees and the other trustees.

Risk Management

The trustees have during the year re-assessed all the major risks to which the charity is exposed and are satisfied that systems remain in place to mitigate their exposure to the major risks.

Financial sustainability remains the major financial risk and a key element in the management of this risk is a quarterly review of the marketing strategy which includes the charity's website, visitor statistics and management accounts and other financial information including cash flows and budgets. The trustees are pleased to see the end of the pandemic, occupancy rates have now returned to their pre-pandemic levels, however with recent inflation rates concerns remain over the costs of running the Centre.

Attention has also focussed on non-financial risks arising from health and safety of guests, fire and food hygiene. These risks are managed with the assistance of professional advisers, having robust policies in place and regular awareness training for all staff.

Organisational policy

The operations of the charity are conducted through the Manager or Acting Manager in accordance with the policy and strategy approved by the trustees. The trustees assist the Management by being involved in practical support of the work, and in the area of the spiritual ministry of the Centre. The Manager and Acting Manager report directly to the trustees and regularly meets formally with the full board of trustees to review the financial status and progress of the charity. During the year the Manager, Mrs Sue Scalora, after over 30 years' service to the Centre, retired and the trustees did, until a new Manager was recruited, appoint the Assistant Manager, Miss Halyna Kovalchuk as Acting Manager. On 1st July 2024 Mr Chris Cherrill was appointed as the new Manager. As part of her brief, Miss Kovalchuk also continued to provide the trustees with key performance information to help in this regard and keep the website updated as appropriate.

The key management personnel of the charity include the above and are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee received any remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Notes 13 and 17 to the financial statements.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity's activities, the trustees try to benchmark pay levels in other Centres and local guest houses. The other staff are paid the National Living Wage.

Objectives and activities

The objects of the charity are the provision of guest houses for the reception, accommodation, boarding and maintenance of foreign and home missionaries and Christian friends with the interest and object of maintaining such guest houses as Protestant Evangelical guest houses and for the promotion of other religious or charitable purposes as the trustees think fit.

Since 1st September 2006 the charity has run the Highbury Centre London which exists to provide attractive accommodation for missionaries, Christian workers, overseas visitors, students and others in London. This includes bed and breakfast, and conference accommodation. The Centre has 40 rooms and 16 of the rooms provide en-suite accommodation. To facilitate all of this it is important that the buildings are well maintained and remain welcoming to guests.

When reviewing the provision of facilities and services to guests for the year, the trustees have considered the Charity Commission's guidance on public benefit. In addition, management keeps under review methods to save energy and being more environmentally sustainable, including looking to recycle wherever possible.

In addition to providing all guests and students with the chance to experience opportunities for spiritual development, pastoral care and the opportunities to meet and network with others, one of the many other benefits provided to guests is through discounted rates for missionaries, Christian workers and to a lesser extent, students.

Achievements and performance

As already noted previously the trustees are pleased to see that since the ending of the pandemic, occupancy rates have now returned to their pre-Pandemic levels. The ever-increasing cost base continues to cause concern. With the significant increases in the National Living Wage and other salaries due to the erosion of differentials, as well as the increase in utility costs, other cost of living increases and overheads, control of costs takes up a significant part of management's time.

Missionaries and Christian workers, as well as students, have continued to benefit from discounted rates. Visitor numbers increased to 15,686 visitor nights in 2023 as compared with 12,110 in 2022. This compares very well with the 14,676 achieved in 2019, the last full year before the pandemic. The number of Missionaries and Christian workers were well above those in 2019 whilst the student group occupancy was slightly below that achieved in 2019. A net income of £78,543, before the revaluation adjustments of fixed assets, was achieved as compared with a net income of £17,481 in 2022, which the trustees regard as satisfactory in the circumstances.

Financial review

The amounts receivable from visitors and staff was £770,576 (2022: £556,396), of which £768,491 (2022: £613,846) was spent on direct charitable activities, and total expenditure in the period was £776,416 (2022: £622,186). This resulted in funds carried forward of £2,841,475 (2022: £2,746,155) which in the Balance Sheet are principally represented by investments and the amount spent on the refurbishment in prior years. The part of these funds held in realisable investments had a value of £436,810 (2022: £424,108) at year-end. The trustees have also set aside £20,000 (2022: £20,000) to provide a bursary fund which is available to enable guests with limited resources to enjoy the facilities the Centre provides and £45,000 (2022 - £45,000) for ongoing cyclical maintenance so that the buildings can continue to be well maintained.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

Further details of the financial results for the year are given in the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the accompanying notes.

Reserves Policy

It is the trustees' policy to function with maximum 'free' reserves of £1,000,000 to fund developments and capital expenditure projects, phased over a number of years, required at the Centre's premises in connection with improved dining facilities and accommodation. At present the free reserves are significantly less than this target level. The trustees consider that improving the annual surplus through targeted marketing efforts will result in increased occupancy rates and this is the best way to achieve their reserve policy. This will also provide the resources in the medium to longer term to pay off the loans.

The operational reserves, which after taking out the investment property revaluation reserve, currently stands at approximately £450,000. This is also after allowing for those resources designated for the improvement of the premises and ongoing cyclical maintenance to keep the Centre as a first-class facility which are detailed in note 11 of the accounts.

Investment policy

The trustees have continued to use RBC Brewin Dolphin as investment managers. The policy adopted, is one of a medium risk strategy based on maximising income and the investment managers are working towards the target return discussed with the trustees. Due to market conditions at the beginning of the year the target return for the year was 2.7%. The trustees consider the return achieved of 3.0% on the investments in the year to be satisfactory. The trustees also continue to monitor the performance of the investments in light of current market conditions. The charity has made such investments to generate a return and has made no social investments.

Plans for the future

The trustees remain positive about the future and following the return of occupancy rates achieved in the past look forward to modest surpluses in the next few years. Future developments remain difficult to predict and occupancy rates and cash flows will continue to be closely monitored. With the continuingly high real rates of inflation in some costs and salaries, these continue to be of concern and will also continue to be monitored very closely. The trustees continue to look at ways of widening the Centre's purposes and providing day conference facilities and other similar activities so that increased occupancy will provide a greater contribution to meeting the increasing costs.

As there is no a necessity to hang onto the Charity's investment property, 98 Aberdeen Park, London N5 and the interest on the loans and management costs were now well in excess of the rents received from the property, the trustees took the decision on 9 May 2024 to sell the property. Following taking appropriate advice and securing a Charities Act Report and valuation from Copping Joyce the trustees are now looking to market the property in the forthcoming months.

Statement of trustees' responsibilities

The trustees (who are the directors of The Highbury Centre for the purposes of company law) 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 affairs of the company and of its incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware;
- the trustees have taken all the 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.

This report is prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

20-26 Aberdeen Park
Highbury
London
N5 2BJ

ON BEHALF OF THE TRUSTEES



Mr H L M Du Plessis
Trustee

Date: 2024-09-10

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE Highbury Centre FOR THE YEAR ENDED 31ST DECEMBER 2023

Opinion

We have audited the financial statements of The Highbury Centre (the 'Charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE Highbury Centre (continued) FOR THE YEAR ENDED 31ST DECEMBER 2023

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with Trustees, and from our commercial knowledge and experience of the Charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Companies Act 2006, Charities Act 2011 and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE Highbury Centre (continued) FOR THE YEAR ENDED 31ST DECEMBER 2023

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

C J Dadswell

Mr Colin James Dadswell (Senior Statutory Auditor)
For and on behalf of Caladine Limited

Chartered Certified Accountants
Statutory Auditor

2024-09-11

Chantry House
22 Upperton Road
Eastbourne
East Sussex BN21 1BF

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31ST DECEMBER 2023

		Unrestricted Funds	
		2023	2022
	Note	£	£
Income from:			
<i>Donations and legacies</i>		2,580	1,557
<i>Investments</i>	2	81,803	79,047
<i>Charitable activities:</i>			
Amounts receivable for accommodation, meals and conferences		770,576	556,396
<i>Other sources:</i>			
CJRS grants		-	2,667
Total income		<u>854,959</u>	<u>639,667</u>
Expenditure on:			
<i>Raising funds</i>		7,925	8,340
<i>Charitable activities</i>		<u>768,491</u>	<u>613,846</u>
Total expenditure	3	<u>776,416</u>	<u>622,186</u>
Net income before net losses on investments		78,543	17,481
Net gains/(losses) on investments	5	<u>16,777</u>	<u>(63,463)</u>
Net movement in funds		95,320	(45,982)
Reconciliation of funds			
Total funds brought forward		<u>2,746,155</u>	<u>2,792,137</u>
Total funds carried forward	10	<u>2,841,475</u>	<u>2,746,155</u>

None of the charitable activities were acquired or discontinued during the year. There are no recognised gains or losses other than the result shown above.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

BALANCE SHEET
AS AT 31ST DECEMBER 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets					
Tangible assets	4		1,143,989		1,187,366
Investments	5		<u>2,791,810</u>		<u>2,779,108</u>
			3,935,799		3,966,474
Current assets					
Stocks	6	2,739		2,120	
Debtors	7	51,726		39,740	
Bank		<u>267,101</u>		<u>156,084</u>	
		321,566		197,944	
Creditors: amounts falling due within one year	8	(152,588)		(256,579)	
Net current assets/(liabilities)			<u>168,978</u>		(58,635)
Total assets less current liabilities			4,104,777		3,907,839
Creditors: amounts falling due after one year	9		(1,263,302)		(1,161,684)
Net assets			<u>2,841,475</u>		<u>2,746,155</u>
Funds					
Unrestricted Funds (including Revaluation Reserve of £1,525,836 (2022: £1,517,528)):	10				
Designated funds			697,330		740,707
General fund			<u>2,144,145</u>		<u>2,005,448</u>
			<u>2,841,475</u>		<u>2,746,155</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

These financial statements were approved by the trustees on 2024-09-10
and signed on their behalf by:

HLM du Plessis

Mr H L M Du Plessis
Trustee

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023 £	2022 £
Cash provided by operating activities (Note a)	165,106	187,094
Cash flows from investing activities		
Interest received	2,018	147
Dividends received	12,856	12,222
Payments to acquire investments	(94,516)	(5,395)
Proceeds on disposal of investments	<u>85,267</u>	<u>33,240</u>
Cash provided by investing activities	<u>5,625</u>	<u>40,214</u>
Cash flows from financing activities		
Interest paid	(72,119)	(60,671)
Payment of mortgage	(919)	(80,251)
Cash (used in) financing activities	<u>(73,038)</u>	<u>(140,922)</u>
Net cash inflow	97,693	86,386
Cash and cash equivalents at 1 st January 2023	<u>181,414</u>	<u>95,028</u>
Cash and cash equivalents at 31st December 2023 (Note b)	<u>279,107</u>	<u>181,414</u>
a) Cash flows from operating activities		
Net movement in funds	95,320	(45,982)
Interest paid and discount movement	94,656	88,472
Interest received	(2,018)	(147)
Dividends received	(12,856)	(12,222)
Depreciation	43,377	43,377
Loss on disposal of investment assets	24	11,226
Unrealised (gain)/loss on investment assets	(16,801)	52,237
(Increase) in stocks	(619)	(64)
(Increase) in debtors	(11,986)	(6,050)
(Decrease)/increase in creditors	<u>(23,991)</u>	<u>56,247</u>
Cash provided by operating activities	<u>165,106</u>	<u>187,094</u>
b) Cash and cash equivalents		
At 31 st December 2023		
Bank	267,101	156,084
Dealings account	<u>12,006</u>	<u>25,330</u>
	<u>279,107</u>	<u>181,414</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

c) Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	Non-cash changes £	At 31 December 2023 £
Cash	181,414	97,693	-	279,107
Loans falling due within one year	(80,000)	-	80,000	-
Loans falling due after more than one year	(1,161,684)	919	(102,537)	(1,263,302)
Total	(1,060,270)	98,612	(22,537)	(984,195)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1 ACCOUNTING POLICIES

Company information

The Highbury Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 20-26 Aberdeen Park, Highbury, London, N5 2BJ.

Accounting convention

The financial statements have been prepared in accordance with the charity's 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)'. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments. The principal accounting policies are set out below.

Going concern

The charity produces annual budgets and forecasts which take into account expected changes in its performance and at the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. On this basis the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Tangible fixed assets

Tangible fixed assets, other than freehold land and buildings held for the charity's use, are stated at cost less depreciation. Depreciation is provided on major improvements to buildings at 4% per annum on cost, to write off the cost over their expected useful life. Plant, fixtures and fittings costing less than £2,500 are written off as an expense as incurred.

The Charity's policy is to maintain its freehold property to a high standard through a continual programme of maintenance. The trustees consider that the residual value of the property is such that it renders any depreciation immaterial and consequently no annual depreciation charge is shown in the accounts. Freehold land is not depreciated.

Fixed asset investments

Investments are stated at fair value. Realised and unrealised gains are reflected through the Statement of Financial Activities.

Stocks

Stock comprises provisions and house sundries which are included at a net realisable valuation made by the manager.

Debtors

Amounts due from guests and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

1 ACCOUNTING POLICIES (continued)

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Income recognition

Accommodation charges and meals income are accounted for on a receivable basis, net of VAT.

Investment income and bank interest are the amounts received for the year.

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

Grant income from the Coronavirus Job Retention Scheme (CJRS) is recognised in the period to which the underlying furloughed staff costs relate.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including governance costs, are charged directly to the activity when incurred.

Funds structure

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the objects of the charity. Designated funds are unrestricted funds set aside by the trustees for specific purposes. The charity doesn't have any restricted funds.

Pension scheme

The company operates a defined contribution scheme. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

Operating lease rentals

Rentals under operating leases are charged to the income and expenditure account as incurred.

Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

1 **ACCOUNTING POLICIES (continued)**

Critical accounting estimates and judgements

In the application of the charity’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 **INVESTMENT INCOME**

	2023	2022
	£	£
<i>Arising from investment assets held in the UK</i>		
Rents receivable	66,929	66,678
Investments listed on a recognised stock exchange	12,856	12,222
Bank and stockbroker’s interest	<u>2,018</u>	<u>147</u>
	<u>81,803</u>	<u>79,047</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

3 EXPENDITURE	<i>Charitable activities £</i>	<i>Raising funds £</i>	<i>2023 Total £</i>	<i>2022 Total £</i>
Establishment expenses				
Electricity & gas	59,376	-	59,376	65,638
Insurance	32,610	-	32,610	29,379
Rates & refuse collection	12,758	-	12,758	7,437
Repairs, renewals & improvements:				
Premises	49,664	-	49,664	27,085
Furniture and equipment	9,178	-	9,178	9,540
Depreciation	43,377	-	43,377	43,377
Road charges	2,230	-	2,230	1,984
	<u>209,193</u>	<u>-</u>	<u>209,193</u>	<u>184,440</u>
Housekeeping expenses				
Gardening	110	-	110	647
Hire of equipment	9,320	-	9,320	9,542
House sundries	7,550	-	7,550	4,306
Laundry & cleaning	14,537	-	14,537	8,448
Provisions & purchases for incidental sales & charges	58,851	-	58,851	42,294
Staff training	799	-	799	-
Salaries, wages & pensions (note 11)	318,164	-	318,164	228,667
	<u>409,331</u>	<u>-</u>	<u>409,331</u>	<u>293,904</u>
Support costs				
Advertising	-	4,336	4,336	3,452
Secretarial salary (note 11)	6,903	-	6,903	4,327
Bank charges & interest	466	-	466	330
Computer equipment & internet charges	4,557	-	4,557	5,670
Credit card charges	15,843	-	15,843	10,638
Office telephone & mobiles	2,337	-	2,337	2,256
Mortgage interest & discount movement	94,656	-	94,656	88,472
Stationery, postage & sundries	1,483	-	1,483	843
	<u>126,245</u>	<u>4,336</u>	<u>130,581</u>	<u>115,988</u>
Governance costs				
Auditor's remuneration – statutory audit	5,800	-	5,800	5,711
Other professional fees	17,922	3,589	21,511	22,143
	<u>23,722</u>	<u>3,589</u>	<u>27,311</u>	<u>27,854</u>
Total expenditure	<u>768,491</u>	<u>7,925</u>	<u>776,416</u>	<u>622,186</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

4 TANGIBLE FIXED ASSETS
Held for charity use

	Freehold Land & Buildings £	Major Improvements £	Total 2023 £
Cost:			
At 1 st January 2023	511,660	1,084,429	1,596,089
Additions	-	-	-
At 31 st December 2023	<u>511,660</u>	<u>1,084,429</u>	<u>1,596,089</u>
Depreciation:			
At 1 st January 2023	-	408,723	408,723
Charge for the year	-	<u>43,377</u>	<u>43,377</u>
At 31 st December 2023	<u>-</u>	<u>452,100</u>	<u>452,100</u>
Net book value:			
At 31 st December 2023	<u>511,660</u>	<u>632,329</u>	<u>1,143,989</u>
At 31 st December 2022	<u>511,660</u>	<u>675,707</u>	<u>1,187,367</u>

5 FIXED ASSET INVESTMENTS

	Freehold Land & Buildings £	Listed Investments £	Total 2023 £
At market value:			
At 1 st January 2023	2,355,000	424,108	2,779,108
Additions	-	94,516	94,516
Value of disposals	-	(85,291)	(85,291)
Unrealised gain	-	16,801	16,801
Net movement in cash	-	(9,248)	(9,248)
Management fees paid	-	(4,076)	(4,076)
At 31 st December 2023	<u>2,355,000</u>	<u>436,810</u>	<u>2,791,810</u>
At cost:			
At 1 st January 2023	920,989	340,591	1,261,580
Additions	-	94,516	94,516
Cost of disposals	-	(90,122)	(90,122)
At 31 st December 2023	<u>920,989</u>	<u>344,985</u>	<u>1,265,974</u>

The freehold land and buildings, 98 Aberdeen Park, London N5 were valued on an open market value basis at 4th February 2021 by Copping Joyce, Chartered Surveyors at £2,355,000.

The listed investments portfolio is structured in direct investments in listed securities on a UK stock exchange, and in the furtherance of the charity's objectives and is held wholly within the UK.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

6 STOCKS	2023	2022
	£	£
Provisions	1,542	1,056
House sundries	1,176	1,028
Stationery	21	36
	<u>2,739</u>	<u>2,120</u>
7 DEBTORS	2023	2022
	£	£
Due from guests	44	3,704
Other debtors	14,240	985
Prepayments	<u>37,442</u>	<u>35,051</u>
	<u>51,726</u>	<u>39,740</u>
8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022
	£	£
Loan	-	80,000
Trade creditors	43,956	45,937
Other taxes and social security	25,852	24,622
Accruals	20,075	23,879
Deferred income	10,387	34,034
Other creditors	<u>52,318</u>	<u>48,107</u>
	<u>152,588</u>	<u>256,579</u>

Deferred income is included within the financial statements as follows:

Deferred income is included within:		
Current liabilities	<u>10,387</u>	<u>34,034</u>
Movement in the year:		
Deferred income at 1 st January 2023	34,034	57,734
Released from previous periods	(23,647)	(23,700)
Resources deferred in the year	-	-
Deferred income at 31 st December 2023	<u>10,387</u>	<u>34,034</u>

Deferred income relates to amounts invoiced for accommodation, meals and conferences for the 2024 financial year and beyond.

9 LOANS

The company has two Suffolk Building Society loans each of £750,000 and both repayable by February 2032. They are secured by way of a fixed charge on the company's premises, 20-26 Aberdeen Park and 98 Aberdeen Park, London N5 and bear interest, one at a fixed rate of 3.99% from 1st December 2021. The other at a variable rate of 0.75% below the Society's commercial standard variable rate (currently 7.94%) until 31st January 2032. The trustees consider the loans to represent significantly less than the value of the secured properties, which have a carrying value of £3,498,989.

There are no plans in place for the charity to make any further capital repayments in the coming year. This is reflected in Creditors: Amounts falling due within one year (note 8).

The loans have been measured at amortised cost using the effective interest rate method. The carrying value of the loans is adjusted each year so that the interest charge is even over the course of the loans.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

9 LOANS (continued)

	£
Present value of loans brought forward	1,241,684
Repayment in the year	(919)
Movement in discount in the year	<u>22,537</u>
Present value of loans carried forward	<u>1,263,302</u>
	£
Loans amount due within one year	-
Loans amount due after one year	<u>1,263,302</u>
Present value of loans carried forward	<u>1,263,302</u>

The interest expense, calculated using the effective interest method, for financial liabilities measured at amortised cost is £94,656 (2022: £88,472).

10 FUNDS

	<i>Unrestricted Funds</i>	<i>Bursary</i>	<i>Designated Funds Fund Improvement of premises</i>	<i>Refurbish- ment reserve</i>	<i>Total 2023</i>
2023	£	£	£		£
Income	854,959	-	-	-	854,959
Expenditure	<u>(733,039)</u>	<u>-</u>	<u>(43,377)</u>	<u>-</u>	<u>(776,416)</u>
Net income/(expenditure) before investment gains/(losses)	121,920	-	(43,377)	-	78,543
Other recognised gains/(losses)	<u>16,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,777</u>
Net movements in funds	138,697	-	(43,377)	-	95,320
Fund balances brought forward	<u>2,005,448</u>	<u>20,000</u>	<u>675,707</u>	<u>45,000</u>	<u>2,746,155</u>
Fund balances carried forward	<u>2,144,145</u>	<u>20,000</u>	<u>632,330</u>	<u>45,000</u>	<u>2,841,475</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

10 FUNDS (continued)

2022	Unrestricted Funds	Designated Funds			Total 2022 £
	£	Bursary £	Fund Improvement of premises £	Refurbish- ment reserve £	
Income	639,667	-	-	-	639,667
Expenditure	(578,809)	-	(43,377)	-	(622,186)
Net income/(expenditure) before investment gains/(losses)	60,858	-	(43,377)	-	17,481
Other recognised gains/(losses)	(63,463)	-	-	-	(63,463)
Net movements in funds	(2,605)	-	(43,377)	-	(45,982)
Fund balances brought forward	<u>2,008,053</u>	<u>20,000</u>	<u>719,084</u>	<u>45,000</u>	<u>2,792,137</u>
Fund balances carried forward	<u>2,005,448</u>	<u>20,000</u>	<u>675,707</u>	<u>45,000</u>	<u>2,746,155</u>

The Designated Funds were set aside by the trustees as follows:

Bursary fund – money set aside to provide bursaries for less well-off guests.

Improvement of premises fund - money set aside to fund the improvements to the facilities.

Refurbishment reserve- money set aside to maintain the premises in a first class condition.

11 STAFF COSTS

	2023 £	2022 £
Gross salaries	297,410	214,082
Social security costs	17,999	10,609
Pension costs	<u>9,658</u>	<u>8,303</u>
	<u>325,067</u>	<u>232,994</u>

Average monthly number of employees: 15 13

No employee received remuneration in excess of £60,000 in the year or preceding year.

Remuneration of key management personnel

Aggregate remuneration 38,042 33,934

12 PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounts to £9,658 for the year (2022: £8,303).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023 (continued)

13 TRUSTEES

Remuneration and reimbursement of trustees' expenses

During the year, the trustees received no remuneration (2022 – nil), and there were also no trustees reimbursed for expenses (2022 - £61 reimbursed to one trustee) in connection with the business of the charity.

14 AUDITOR'S REMUNERATION

	2023 £	2022 £
Fees payable for the audit of the charity's accounts	<u>6,000</u>	<u>5,711</u>

15 FINANCIAL COMMITMENTS

At 31st December 2023 the charity had contracted with tenants for the following lease payments:

	2023 £	2022 £
Within one year	<u>72,000</u>	<u>72,000</u>

16 COMPANY STATUS

The charity is a company limited by guarantee and therefore has no share capital. In the event of the company being wound up each member is liable for an amount not exceeding the sum of £10.

The company is a registered charity and has taken advantage of the exemption to dispense with word Limited from its name.

17 RELATED PARTY TRANSACTIONS

The charity paid for trustee indemnity insurance of £1,619 (2022: £1,619) on behalf of the trustees as part of its combined insurance policy.

A relative of key management personnel was employed by the charity and received a gross salary of £22,595 (2022: £23,297). Employers' National Insurance was £1,781 (2022: £2,107).

THE Highbury Centre

England & Wales - Charity number 1113000

Accounts

THE Highbury Centre
(A company limited by guarantee
and not having a share capital)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2022

Company number: 05422555
Charity number: 1113000

THE Highbury Centre
(A company limited by guarantee
and not having a share capital)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2022

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THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2022

The trustees present their report and the financial statements for the charity for the year ended 31st December 2022 which have been prepared in accordance with accounting policies set out in Note 1 to the financial statements and comply with the Charity's 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)' (effective 1 January 2019).

Reference and administrative information

The company is a registered charity and a company limited by guarantee with no share capital (Charity number: 1113000, Company number: 05422555, incorporated in England and Wales). The company's registered office is 20-26 Aberdeen Park, Highbury, London N5 2BJ.

Trustees:

The following served during the year and appointed for the following year:

Mr P Brenells	
Mr I Feltham	
Mr A de Jong	(Resigned 22 nd September 2022)
Miss E A McPherson	
Rev D D Miller	(Resigned 20 th April 2022)
Mrs J Campbell	
Mr H L M Du Plessis	(Appointed 26 th January 2023)
Rev P Thankachan	(Appointed 14 th June 2023)

Key Management Personnel:

Chair of Trustees	Mr A de Jong	(Resigned 22 nd September 2022)
	Mr H L M Du Plessis	(Appointed 27 th July 2023)

Company Secretary Mr C M Thompson

Manager Mrs A Clarke

Our advisers:

Bankers Barclays Bank plc
PO Box 3474
London NW1 7NQ

Solicitors Potheary Witham Weld
70 St George's Square
London SW1 3RD

Investment advisers RBC Brewin Dolphin
12 Smithfield Street
London EC1A 9LA

Auditors Caladine Limited
Chantry House
22 Upperton Road
Eastbourne
East Sussex BN21 1BF

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

Structure, Governance and Management

The charity is a company limited by guarantee, incorporated on 12th April 2005 with the name The Foreign Missions Club 2005 and it was registered with the Charity Commission on 15th February 2006. The company is now governed by its Articles of Association, as amended on 27th July 2023, which established the objects and powers of the charitable company and governs its activities. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

On 1st September 2006 the company took over the assets, undertaking and employees of the Foreign Missions Club (Charity number: 227866). On 6th August 2008 the company changed its name to The Highbury Centre.

Appointment and induction of trustees

Trustees are appointed by a majority vote of the board of trustees. The Articles of Association provides for a minimum of three trustees and a maximum of fifteen. (The trustees for the purposes of company law are directors of the company).

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and the decision-making processes and the recent performance of the charity. They meet key employees and the other trustees.

Risk Management

The trustees have during the year re-assessed all the major risks to which the charity is exposed and are satisfied that systems remain in place to mitigate their exposure to the major risks.

Financial sustainability remains the major financial risk and a key element in the management of this risk is a quarterly review of the marketing strategy which includes the charity's website, visitor statistics and management accounts and other financial information including cash flows and budgets. The trustees are pleased to see that since the ending of Covid, occupancy rates have now very nearly returned to their pre-Covid levels, however concerns remain over the costs of running the Centre.

Attention has also focussed on non-financial risks arising from health and safety of guests, fire and food hygiene. These risks are managed with the assistance of professional advisers, having robust policies in place and regular awareness training for all staff.

Organisational policy

The operations of the charity are conducted through the Manager in accordance with the policy and strategy approved by the trustees. The trustees assist the Manager by being involved in practical support of the work, and in the area of the spiritual ministry of the Centre. The Manager reports directly to the trustees and regularly meets formally with the full board of trustees to review the financial status and progress of the charity. Since the year end the Manager, Mrs Sue Scalora, has retired, after over 30 years' service to the Centre, and the trustees have now appointed Mrs Anita Clarke who started work on 18th September 2023. During the year the Assistant Manager, Miss Halyna Kovalchuk, has as part of her brief, continued to provide the trustees with key performance information to help in this regard and keep the website updated as appropriate.

The key management personnel of the charity include the above and are in charge of directing, controlling, running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee received any remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Notes 14 and 18 to the financial statements.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity's activities, the trustees try to benchmark pay levels in other Centres and local guest houses. The other staff are paid the National Living Wage.

Objectives and activities

The objects of the charity are the provision of guest houses for the reception, accommodation, boarding and maintenance of foreign and home missionaries and Christian friends with the interest and object of maintaining such guest houses as Protestant Evangelical guest houses and for the promotion of other religious or charitable purposes as the trustees think fit.

Since 1st September 2006 the charity has run the Highbury Centre London which exists to provide attractive accommodation for missionaries, Christian workers, overseas visitors, students and others in London. This includes bed and breakfast, and conference accommodation. The Centre has 40 rooms and 16 of the rooms provide en-suite accommodation. To facilitate all of this it is important that the buildings are well maintained and remain welcoming to guests.

When reviewing the provision of facilities and services to guests for the year, the trustees have considered the Charity Commission's guidance on public benefit. In addition, management keeps under review methods to save energy and being more environmentally sustainable, including looking to re-cycle wherever possible.

In addition to providing all guests and students with the chance to experience opportunities for spiritual development, pastoral care and the opportunities to meet and network with others, one of the many other benefits provided to guests is through discounted rates for missionaries, Christian workers and to a lesser extent, students.

Achievements and performance

As already noted previously the trustees are pleased to see that since the ending of Covid, occupancy rates have now very nearly returned to their pre Covid levels. The ever-increasing cost base does cause concern. With the significant increases in the National Living Wage and other salaries due to the erosion of differentials, as well as the increase in utility costs, other cost of living increases and overheads, control of cost takes up a significant part of management's time.

Missionaries and Christian workers, as well as students, have continued to benefit from discounted rates. Visitor numbers increased to 12,110 visitor nights in 2022 as compared with 1,782 in 2021. This compares well with the 14,676 achieved in 2019, the last full year before the pandemic. Both levels of the number of Missionaries and Christian workers and the student group occupancy were though still below their 2019 levels. A net income of £17,481, before the revaluation adjustments of fixed assets, was achieved as compared a net loss of £144,486 in 2021, which the trustees regard as satisfactory in the circumstances.

Financial review

The amounts receivable from visitors and staff was £556,396 (2021: £118,842), of which £613,846 (2021: £398,062) was spent on direct charitable activities, and total expenditure in the period was £622,186 (2021: £404,812). This resulted in funds carried forward of £2,746,155 (2021: £2,792,137) which in the Balance Sheet are principally represented by investments and the amount spent on the refurbishment in prior years. The part of these funds held in realisable investments had a value of £424,108 (2021: £491,909) at year-end. The trustees have also set aside £20,000 (2021: £20,000) to provide a bursary fund which is available to enable guests with limited resources to enjoy the facilities the Centre provides and £45,000 (2021 - £45,000) for ongoing cyclical maintenance so that the buildings can continue to be well maintained.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

Further details of the financial results for the year are given in the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the accompanying notes.

Reserves Policy

It is the trustees' policy to function with maximum 'free' reserves of £1,000,000 to fund developments and capital expenditure projects, phased over a number of years, required at the Centre's premises in connection with improved dining facilities and accommodation. At present the free reserves are significantly less than this target level. The trustees consider that improving the annual surplus through targeted marketing efforts will result in increased occupancy rates and this is the best way to achieve their reserve policy. This will also provide the resources in the medium to longer term to pay off the loans.

The operational reserves, which after taking out the investment property revaluation reserve, currently stands at approximately £400,000. This is also after allowing for those resources designated for the improvement of the premises and ongoing cyclical maintenance to keep the Centre as a first-class facility which are detailed in note 11 of the accounts.

Investment policy

The trustees have continued to use RBC Brewin Dolphin as investment managers. The policy adopted, is one of a medium risk strategy based on maximising income and the investment managers are working towards the target return discussed with the trustees. Due to market conditions at the beginning of the year the target return for the year was 2.1%. The trustees consider the return achieved of 2.3% on the investments in the year to be satisfactory. The trustees also continue to monitor the performance of the investments in light of current market conditions. The charity has made such investments to generate a return and has made no social investments.

Plans for the future

The trustees remain positive about the future and following the ending of the pandemic and the return of occupancy rates achieved in the past look forward to modest surpluses in the next few years. Future developments remain difficult to predict and occupancy rates and cash flows will continue to be closely monitored. Costs continue to be of concern and will also continue to be monitored very closely. The trustees continue to look at ways of widening the Centre's purposes and providing day conference facilities and other similar activities so that increased occupancy will provide a greater contribution to meeting the increasing costs.

Statement of trustees' responsibilities

The trustees (who are the directors of The Highbury Centre for the purposes of company law) 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 affairs of the company and of its incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware;
- the trustees have taken all the 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.

This report is prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

20-26 Aberdeen Park
Highbury
London
N5 2BJ

ON BEHALF OF THE TRUSTEES

Mr H L M Du Plessis
Trustee

Date: 18th September 2023

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE Highbury Centre FOR THE YEAR ENDED 31ST DECEMBER 2022

Opinion

We have audited the financial statements of The Highbury Centre (the 'Charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE Highbury Centre (continued) FOR THE YEAR ENDED 31ST DECEMBER 2022

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with Trustees, and from our commercial knowledge and experience of the Charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Companies Act 2006, Charities Act 2011 and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE Highbury Centre (continued) FOR THE YEAR ENDED 31ST DECEMBER 2022

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Mr Colin James Dadswell (Senior Statutory Auditor)
For and on behalf of Caladine Limited

Chartered Certified Accountants
Statutory Auditor

20th September 2023

Chantry House
22 Upperton Road
Eastbourne
East Sussex BN21 1BF

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31ST DECEMBER 2022

		Unrestricted Funds	
		2022	2021
	Note	£	£
Income from:			
<i>Donations and legacies</i>		1,557	515
<i>Investments</i>	2	79,047	82,405
<i>Charitable activities:</i>			
Amounts receivable for accommodation, meals and conferences		556,396	118,842
<i>Other sources:</i>			
CJRS grants		<u>2,667</u>	<u>58,564</u>
Total income		<u>639,667</u>	<u>260,326</u>
Expenditure on:			
<i>Raising funds</i>		8,340	6,750
<i>Charitable activities</i>		<u>613,846</u>	<u>398,062</u>
Total expenditure	3	<u>622,186</u>	<u>404,812</u>
Net income/(expenditure) before net losses on investments		17,481	(144,486)
Net (losses)/gains on investments	5	<u>(63,463)</u>	<u>54,725</u>
Net movement in funds		(45,982)	(89,761)
Reconciliation of funds			
Total funds brought forward		<u>2,792,137</u>	<u>2,881,898</u>
Total funds carried forward	11	<u>2,746,155</u>	<u>2,792,137</u>

None of the charitable activities were acquired or discontinued during the year. There are no recognised gains or losses other than the result shown above.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

BALANCE SHEET
AS AT 31ST DECEMBER 2022

		2022		2021	
	Note	£	£	£	£
Fixed assets					
Tangible assets	4		1,187,366		1,230,744
Investments	5		<u>2,779,108</u>		<u>2,846,909</u>
			3,966,474		4,077,653
Current assets					
Stocks	6	2,120		2,056	
Debtors	7	39,740		33,690	
Bank		<u>156,084</u>		<u>93,205</u>	
		197,944		128,951	
Creditors: amounts falling due within one year	8	(<u>256,579</u>)		(<u>200,332</u>)	
Net current (liabilities)/assets			(58,635)		(71,381)
Total assets less current liabilities			3,907,839		4,006,272
Creditors: amounts falling due after one year	9		(<u>1,161,684</u>)		(<u>1,214,135</u>)
Net assets			<u>2,746,155</u>		<u>2,792,137</u>
Funds					
Unrestricted Funds (including Revaluation Reserve of £1,517,528 (2021: £1,554,874)):	11				
Designated funds			740,707		784,084
General fund			<u>2,005,448</u>		<u>2,008,053</u>
			<u>2,746,155</u>		<u>2,792,137</u>

These financial statements were approved by the trustees on 18th September 2023 and signed on their behalf by:

Mr H L M Du Plessis
Trustee

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022 £	2021 £
Cash from/(used in) operating activities (Note a)	187,094	(63,455)
Cash flows from investing activities		
Interest received	147	258
Dividends received	12,222	10,415
Payments to acquire investments	(5,395)	(122,019)
Proceeds on disposal of investments	33,240	126,543
Payments to acquire fixed assets	-	-
Cash provided by/(used in) investing activities	<u>40,214</u>	<u>15,197</u>
Cash flows from financing activities		
Interest paid	(60,671)	(67,404)
Payment of mortgage	(80,251)	(694)
Cash (used in) financing activities	<u>(140,922)</u>	<u>(68,098)</u>
Net cash inflow/(outflow)	86,386	(116,356)
Cash and cash equivalents at 1 st January 2022	<u>95,028</u>	<u>211,384</u>
Cash and cash equivalents at 31st December 2022 (Note b)	<u>181,414</u>	<u>95,028</u>
a) Cash from/(used) in operating activities		
Net movement in funds	(45,982)	(89,761)
Interest paid and discount movement	88,472	63,333
Interest received	(147)	(258)
Dividends received	(12,222)	(10,415)
Depreciation	43,377	43,377
(Gain)/loss on disposal of investment assets	11,226	(2,475)
Unrealised (gain)/loss on investment assets	52,237	(52,250)
(Increase)/decrease in stock	(64)	635
(Increase)/decrease in debtors	(6,050)	(6,481)
Increase/(decrease) in creditors	<u>56,247</u>	<u>(9,160)</u>
Cash from/(used in) operating activities	<u>187,094</u>	<u>(63,455)</u>
b) Cash and cash equivalents		
At 31 st December 2022		
Bank	156,084	93,205
Dealings account	<u>25,330</u>	<u>1,823</u>
	<u>181,414</u>	<u>95,028</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

c) Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Non-cash changes £	At 31 December 2022 £
Cash	95,028	86,386	-	181,414
Loans falling due within one year	(80,000)	80,000	(80,000)	(80,000)
Loans falling due after more than one year	(1,214,135)	251	52,200	(1,161,684)
Total	<u>(1,199,107)</u>	<u>166,637</u>	<u>(27,800)</u>	<u>(1,060,270)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

1 ACCOUNTING POLICIES

Company information

The Highbury Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 20-26 Aberdeen Park, Highbury, London, N5 2BJ.

Accounting convention

The financial statements have been prepared in accordance with the charity's 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)'. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments. The principal accounting policies are set out below.

Going concern

The charity produces annual budgets and forecasts which take into account expected changes in its performance and at the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. On this basis the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Tangible fixed assets

Tangible fixed assets, other than freehold land and buildings held for the charity's use, are stated at cost less depreciation. Depreciation is provided on major improvements to buildings at 4% per annum on cost, to write off the cost over their expected useful life. Plant, fixtures and fittings costing less than £2,500 are written off as an expense as incurred.

The Charity's policy is to maintain its freehold property to a high standard through a continual programme of maintenance. The trustees consider that the residual value of the property is such that it renders any depreciation immaterial and consequently no annual depreciation charge is shown in the accounts. Freehold land is not depreciated.

Fixed asset investments

Investments are stated at fair value. Realised and unrealised gains are reflected through the Statement of Financial Activities.

Stocks

Stock comprises provisions and house sundries which are included at a net realisable valuation made by the manager.

Debtors

Amounts due from guests and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

1 ACCOUNTING POLICIES (continued)

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Income recognition

Accommodation charges and meals income are accounted for on a receivable basis, net of VAT.

Investment income and bank interest are the amounts received for the year.

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

Grant income from the Coronavirus Job Retention Scheme is recognised in the period to which the underlying furloughed staff costs relate.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including governance costs, are charged directly to the activity when incurred.

Funds structure

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the objects of the charity. Designated funds are unrestricted funds set aside by the trustees for specific purposes. The charity doesn't have any restricted funds.

Pension scheme

The company operates a defined contribution scheme. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

Operating lease rentals

Rentals under operating leases are charged to the income and expenditure account as incurred.

Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

1 ACCOUNTING POLICIES (continued)

Critical accounting estimates and judgements

In the application of the charity'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 INVESTMENT INCOME

	2022	2021
	£	£
<i>Arising from investment assets held in the UK</i>		
Rents receivable	66,678	71,732
Investments listed on a recognised stock exchange	12,222	10,415
Bank and stockbroker's interest	<u>147</u>	<u>258</u>
	<u>79,047</u>	<u>82,405</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

3 EXPENDITURE	<i>Charitable activities £</i>	<i>Raising funds £</i>	<i>2022 Total £</i>	<i>2021 Total £</i>
Establishment expenses				
Electricity & gas	65,638	-	65,638	15,163
Insurance	29,379	-	29,379	24,750
Rates & refuse collection	7,437	-	7,437	6,132
Repairs, renewals & improvements:				
Premises	27,085	-	27,085	6,977
Furniture and equipment	9,540	-	9,540	5,762
Depreciation	43,377	-	43,377	43,377
Road charges	1,984	-	1,984	1,912
	<u>184,440</u>	<u>-</u>	<u>184,440</u>	<u>104,073</u>
Housekeeping expenses				
Gardening	647	-	647	15
Hire of equipment	9,542	-	9,542	7,762
House sundries	4,306	-	4,306	3,945
Laundry & cleaning	8,448	-	8,448	2,589
Provisions & purchases for incidental sales & charges	42,294	-	42,294	7,468
Salaries, wages, pensions & training (note 12)	228,667	-	228,667	178,778
	<u>293,904</u>	<u>-</u>	<u>293,904</u>	<u>200,557</u>
Support costs				
Advertising	-	3,452	3,452	2,352
Secretarial costs	4,327	-	4,327	-
Bank charges & interest	330	-	330	258
Computer equipment & internet charges	5,670	-	5,670	3,986
Credit card charges	10,638	-	10,638	2,375
Office telephone & mobiles	2,256	-	2,256	2,281
Mortgage interest & discount movement	88,472	-	88,472	63,333
Mortgage fees	-	-	-	350
Stationery, postage & sundries	843	-	843	700
	<u>112,536</u>	<u>3,452</u>	<u>115,988</u>	<u>75,635</u>
Governance costs				
Auditor's remuneration – statutory audit	5,711	-	5,711	4,290
Other professional fees	17,255	4,888	22,143	20,257
	<u>22,966</u>	<u>4,888</u>	<u>27,854</u>	<u>24,547</u>
Total expenditure	<u>613,846</u>	<u>8,340</u>	<u>622,186</u>	<u>404,812</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

4 TANGIBLE FIXED ASSETS
Held for charity use

	Freehold Land & Buildings £	Major Improvements £	Total 2022 £
Cost:			
At 1 st January 2022	511,660	1,084,429	1,596,089
Additions	-	-	-
At 31 st December 2022	<u>511,660</u>	<u>1,084,429</u>	<u>1,596,089</u>
Depreciation:			
At 1 st January 2022	-	365,346	365,346
Charge for the year	-	<u>43,377</u>	<u>43,377</u>
At 31 st December 2022	-	<u>408,723</u>	<u>408,723</u>
Net book value:			
At 31 st December 2022	<u>511,660</u>	<u>675,707</u>	<u>1,187,367</u>
At 31 st December 2021	<u>511,660</u>	<u>719,084</u>	<u>1,230,744</u>

5 FIXED ASSET INVESTMENTS

	Freehold Land & Buildings £	Listed Investments £	Total 2022 £
At market value:			
At 1 st January 2022	2,355,000	491,909	2,846,909
Additions	-	5,395	5,395
Value of disposals	-	(44,465)	(44,465)
Unrealised gain/(loss)	-	(52,237)	(52,237)
Funds transferred to investments	-	27,844	27,844
Management fees paid	-	(4,338)	(4,338)
At 31 st December 2022	<u>2,355,000</u>	<u>424,108</u>	<u>2,779,108</u>
At cost:			
At 1 st January 2022	920,989	371,046	1,292,035
Additions	-	5,395	5,395
Cost of disposals	-	(35,850)	(35,850)
At 31 st December 2022	<u>920,989</u>	<u>340,591</u>	<u>1,261,580</u>

The freehold land and buildings, 98 Aberdeen Park, London N5 were valued on an open market value basis at 4th February 2022 by Copping Joyce, Chartered Surveyors at £2,355,000.

The listed investments portfolio is structured in direct investments in listed securities on a UK stock exchange, and in the furtherance of the charity's objectives and is held wholly within the UK.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

6 STOCKS	2022	2021
	£	£
Provisions	1,056	651
House sundries	1,028	1,405
Stationery	36	-
	<u>2,120</u>	<u>2,056</u>
7 DEBTORS	2022	2021
	£	£
Due from guests	3,704	244
Other debtors	985	2,578
Prepayments	<u>35,051</u>	<u>30,868</u>
	<u>39,740</u>	<u>33,690</u>
8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
	£	£
Loan	80,000	80,000
Trade creditors	45,937	39,131
Other taxes and social security	24,622	2,995
Accruals	23,879	11,564
Deferred income	34,034	57,734
Other creditors	<u>48,107</u>	<u>8,908</u>
	<u>256,579</u>	<u>200,332</u>

Deferred income is included within the financial statements as follows:

Deferred income is included within:		
Current liabilities	<u>34,034</u>	<u>57,734</u>
Movement in the year:		
Deferred income at 1 st January 2022	57,734	46,121
Released from previous periods	(23,700)	-
Resources deferred in the year	-	<u>11,613</u>
Deferred income at 31 st December 2022	<u>34,034</u>	<u>57,734</u>

9 LOANS

The company has two Suffolk Building Society loans (formerly Ipswich Building Society) each of £750,000 and both repayable by February 2032. They are secured by way of a fixed charge on the company's premises, 20-26 Aberdeen Park and 98 Aberdeen Park, London N5 and bear interest, one at a fixed rate of 3.99% from 1st December 2021. The other at a variable rate of 0.75% below the Society's commercial standard variable rate (currently 7.44%) until 31st January 2032. The trustees consider the loans to represent significantly less than the value of the secured properties, which have a carrying value of £3,542,367.

A repayment of £80,000 is to be made withing one year and has been included under Creditors: Amounts falling due within one year (note 8).

The loans have been measured at amortised cost using the effective interest rate method. The carrying value of the loans is adjusted each year so that the interest charge is even over the course of the loans.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

9 LOANS (continued)

	£
Present value of loans brought forward	1,294,135
Repayment in the year	(80,251)
Movement in discount in the year	27,800
Present value of loans carried forward	<u>1,241,684</u>

	£
Loans amount due within one year	80,000
Loans amount due after one year	<u>1,161,684</u>
Present value of loans carried forward	<u>1,241,684</u>

The interest expense, calculated using the effective interest method, for financial liabilities measured at amortised cost is £88,472 (2021: £63,333).

10 FINANCIAL INSTRUMENTS

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	160,773	96,027
Instruments measured at fair value through Statement of Financial Activities	<u>424,108</u>	<u>491,909</u>
	<u>584,881</u>	<u>587,936</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>1,393,641</u>	<u>1,411,472</u>

11 FUNDS

	<i>Unrestricted Funds</i>	<i>Bursary Fund</i>	<i>Designated Funds</i>		
2022	£	£	of premises £	Refurbish- ment reserve	Total 2022 £
Income	639,667	-	-	-	639,667
Expenditure	(578,809)	-	(43,377)	-	(622,186)
Net income/(expenditure) before investment gains	60,858	-	(43,377)	-	17,481
Other recognised (losses)	<u>(63,463)</u>	-	-	-	<u>(63,463)</u>
Net movements in funds	(2,605)	-	(43,377)	-	(45,982)
Fund balances brought forward	<u>2,008,053</u>	<u>20,000</u>	<u>719,084</u>	<u>45,000</u>	<u>2,792,137</u>
Fund balances carried forward	<u>2,005,448</u>	<u>20,000</u>	<u>675,707</u>	<u>45,000</u>	<u>2,746,155</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

11 FUNDS (continued)

2021	<i>Unrestricted Funds</i>	<i>Designated Funds</i>			<i>Total 2021 £</i>
	<i>£</i>	<i>Bursary Fund</i>	<i>Fund Improvement of premises £</i>	<i>Refurbish- ment reserve</i>	
Income	260,326	-	-	-	260,326
Expenditure	(361,435)	-	(43,377)	-	(404,812)
Net expenditure before investment gains	(101,109)	-	(43,377)	-	(144,486)
Other recognised gains	54,725	-	-	-	54,725
Net movements in funds	(46,384)	-	(43,377)	-	(89,761)
Fund balances brought forward	<u>2,054,437</u>	<u>20,000</u>	<u>762,461</u>	<u>45,000</u>	<u>2,881,898</u>
Fund balances carried forward	<u>2,008,053</u>	<u>20,000</u>	<u>719,084</u>	<u>45,000</u>	<u>2,792,137</u>

The designated funds were set aside by the trustees to provide bursaries for less well-off guests and to fund the improvements to the facilities including additional funds borrowed and set aside for the planned improvements, and future refurbishments to maintain the premises in a first class condition.

12 STAFF COSTS

	<i>2022 £</i>	<i>2021 £</i>
Gross salaries	209,755	165,936
Social security costs	10,609	5,982
Pension costs	<u>8,303</u>	<u>6,860</u>
	<u>228,667</u>	<u>178,778</u>

Average monthly number of employees: 12 10

No employee received remuneration in excess of £60,000 in the year or preceding year.

Remuneration of key management personnel

Aggregate remuneration 33,934 32,857

13 PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounts to £8,303 for the year (2021: £6,860).

14 TRUSTEES

Remuneration and reimbursement of trustees' expenses

During the year, the trustees received no remuneration, however one (2021 – nil) trustee was reimbursed for £61 (2021 - £nil) for travelling expenses incurred in connection with the business of the charity.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

15 AUDITOR'S REMUNERATION

	2022	2021
	£	£
Fees payable for the audit of the charity's accounts	<u>5,210</u>	<u>4,290</u>

16 FINANCIAL COMMITMENTS

At 31st December 2022 the charity had contracted with tenants for the following lease payments:

	2022	2021
	£	£
Within one year	<u>72,000</u>	<u>72,000</u>

17 COMPANY STATUS

The charity is a company limited by guarantee and therefore has no share capital. In the event of the company being wound up each member is liable for an amount not exceeding the sum of £10.

The company is a registered charity and has taken advantage of the exemption to dispense with word Limited from its name.

18 RELATED PARTY TRANSACTIONS

The charity paid for trustee indemnity insurance of £1,619 (2021: £1,407) on behalf of the trustees as part of its combined insurance policy.

A relative of key management personnel was employed by the company and received a gross salary of £23,297 (2021: £22,691).

Accounts

THE Highbury Centre
(A company limited by guarantee
and not having a share capital)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2021

Company number: 05422555
Charity number: 1113000

THE Highbury Centre
(A company limited by guarantee
and not having a share capital)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2021

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THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2021

The trustees present their report and the financial statements for the charity for the year ended 31st December 2021 which have been prepared in accordance with accounting policies set out in Note 1 to the financial statements and comply with the Charity's 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).

Reference and administrative information

The company is a registered charity and a company limited by guarantee with no share capital (Charity number: 1113000, Company number: 05422555, incorporated in England and Wales). The company's registered office is 20-26 Aberdeen Park, Highbury, London N5 2BJ.

Trustees:

The following served during the year:

Mr P Brenells
Mr I Feltham
Mr A de Jong
Miss E A McPherson
Rev D D Miller (resigned 20th April 2022)
Mrs J Campbell

Key Management Personnel:

Chair of Trustees Mr A de Jong

Company Secretary Mr C M Thompson

Manager Mrs S Scalora

Our advisers:

Bankers Barclays Bank plc
PO Box 3474
London NW1 7NQ

Solicitors Potheary Witham Weld
70 St George's Square
London SW1 3RD

Investment advisers Brewin Dolphin Limited
5 Giltspur Street
London EC1A 9BD

Auditors Norman Cox & Ashby
Chartered Accountants
Grosvenor Lodge
72 Grosvenor Road
Tunbridge Wells
Kent TN1 2AZ

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

Structure, Governance and Management

The charity is a company limited by guarantee, incorporated on 12th April 2005 with the name The Foreign Missions Club 2005 and it was registered with the Charity Commission on 15th February 2006. The company is now governed by its Articles of Association which established the objects and powers of the charitable company and governs its activities. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

On 1st September 2006 the company took over the assets, undertaking and employees of the Foreign Missions Club (Charity number: 227866). On 6th August 2008 the company changed its name to The Highbury Centre.

Appointment and induction of trustees

Trustees are appointed by a majority vote of the board of trustees. The Articles of Association provides for a minimum of three trustees and a maximum of fifteen. (The trustees for the purposes of company law are directors of the company).

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and the decision-making processes and the recent performance of the charity. They meet key employees and the other trustees.

Risk Management

The trustees have during the year re-assessed all the major risks to which the charity is exposed and are satisfied that systems remain in place to mitigate their exposure to these risks.

Financial sustainability remains the major financial risk, especially considering the unprecedented ongoing consequences of Covid-19. A key element in the management of this risk is a quarterly review of the marketing strategy which includes the charity's website, visitor statistics and management accounts and other financial information including cash flows and budgets. Since the ending of the last Covid-19 lockdown, whilst all the remaining staff have returned to full time working, the seeking of all possible savings in costs has remained of the highest priority until there is a return to the occupancy rates being achieved prior to the lockdowns.

Attention has also focussed on non-financial risks arising from health and safety of guests, fire and food hygiene. These risks are managed with the assistance of professional advisers, having robust policies in place and regular awareness training for all staff.

Organisational policy

The operations of the charity are conducted through the Manager, Mrs Sue Scalora, in accordance with the policy and strategy approved by the trustees. The trustees assist the manager by being involved in practical support of the work, and in the area of the spiritual ministry of the Centre. The manager reports directly to the trustees and regularly meets formally with the full board of trustees to review the financial status and progress of the charity. During the year the Assistant Manager, Miss Halyna Kovalchuk, has as part of her brief, continued to provide the trustees with key performance information to help in this regard and keep the website updated as appropriate.

The key management personnel of the charity include the above and are in charge of directing, controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received any remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Notes 14 and 18 to the financial statements.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity's activities, the trustees try to benchmark pay levels in other Centres and local guest houses. The other staff are paid the National Living Wage.

Objectives and activities

The objects of the charity are the provision of guest houses for the reception, accommodation, boarding and maintenance of foreign and home missionaries and Christian friends with the interest and object of maintaining such guest houses as Protestant Evangelical guest houses and for the promotion of other religious or charitable purposes as the trustees think fit.

Since 1st September 2006 the charity has run the Highbury Centre London which exists to provide attractive accommodation for missionaries, Christian workers, overseas visitors, students and others in London. This includes bed and breakfast, and conference accommodation. The Centre has 40 rooms and 16 of the rooms provide en-suite accommodation. To facilitate all of this it is important that the buildings are well maintained and remain welcoming to guests.

When reviewing the provision of facilities and services to guests for the year, the trustees have considered the Charity Commission's guidance on public benefit. In addition, management keeps under review methods to save energy and being greener as well as looking to re-cycle wherever possible.

In addition to providing all guests and students with the chance to experience opportunities for spiritual development, pastoral care and the opportunities to meet and network with others, one of the many other benefits provided to guests is through discounted rates for missionaries, Christian workers and to a lesser extent, students.

Achievements and performance

Following Covid-19 and the Centre being in lockdown at the beginning of the year, the Centre reopened in March 2021 albeit with all the staff, except the management, partially furloughed under the various Corona Job Retention Schemes up to September 2021. Those staff then remained on reduced hours until the end of the financial year. The levels of bookings slowly increased over the second half of the year and have now increased to levels just below those being achieved before the pandemic. Since the end of the year all the staff have returned to full time working. Costs were reduced to an absolute minimum but an ongoing level of overheads, utilities and maintenance costs could not be avoided to keep the Centre available to be fully reopened. Missionaries and Christian workers, as well as students, have continued to benefit from discounted rates. Visitor numbers decreased to 1,782 visitor nights in 2021 as compared with 3,118 in 2020. This was largely due to a decrease in the number of student groups coming to the Centre and in particular a large group from an American College who were unable, due to travel restrictions, to make their usual annual visit in the spring of last year. The net loss of £144,486, before the revaluation adjustments of fixed assets, as compared with £106,066 in 2020, was less than anticipated and the trustees regard this as being as good as could be hoped for in the circumstances.

Financial review

The amounts receivable for accommodation, meals and conferences was £118,842 (2020: £204,464). A total of £398,062 (2020: £498,670) was spent on direct charitable activities, and total expenditure in the period was £404,812 (2020: £509,102). This resulted in funds carried forward of £2,792,137 (2020: £2,881,898), which in the Balance Sheet are principally represented by the investments and the amount spent on the refurbishment in prior years. Following the completion of those refurbishment works, there remains a part of these funds held in realisable investments, which at the year end had a value of £491,909 (2020: £441,582).

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

The trustees have also set aside £20,000 (2020: £20,000) to provide a bursary fund which is available to enable guests with limited resources to enjoy the facilities the Centre provides and £45,000 (2020 - £45,000) for ongoing cyclical maintenance so that the buildings can continue to be well maintained. Further details of the financial results for the year are given in the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the accompanying notes.

Reserves Policy

It is the trustees' policy to function with maximum 'free' reserves of £1,000,000 to fund developments and capital expenditure projects, phased over a number of years, required at the Centre's premises in connection with improved dining facilities and accommodation. At present the free reserves are significantly less than this target level. The trustees consider that improving the annual surplus through targeted marketing efforts will result in increased occupancy rates and this is the best way to achieve their reserve policy. This will also provide the resources in the medium to longer term to pay off the loans.

The operational reserves, which after taking out the investment property revaluation reserve, currently stands at approximately £450,000. This is also after allowing for those resources designated for the improvement of the premises and ongoing cyclical maintenance to keep the Centre as a first-class facility which are detailed in note 11 of the accounts.

Investment policy

The trustees have continued to use Brewin Dolphin Limited as investment managers. The policy adopted, is one of a medium risk strategy based on maximising income and the investment managers are working towards a target return agreed by the trustees. The trustees consider the return on the investments in the year to be satisfactory. The trustees also continue to monitor the performance of the investments in light of current market conditions. The charity has made such investments to generate a return and has made no social investments.

Plans for the future

The trustees remain positive about the future and anticipate a return to normal occupancy levels now that the pandemic is largely over and guests are able to travel both to and within the UK. Cash flows and costs will continue to be closely monitored very closely. The trustees continue to look at ways of widening the Centre's purposes and providing day conference facilities and other similar activities so that increased occupancy will provide a greater contribution to meeting the increasing costs.

Statement of trustees' responsibilities

The trustees (who are the directors of The Highbury Centre for the purposes of company law) 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 affairs of the company and of its incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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;

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware;
- the trustees have taken all the 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.

This report is prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

20-26 Aberdeen Park
Highbury
London
N5 2BJ

ON BEHALF OF THE TRUSTEES

A de Jong

Date: 8th September 2022

Chairman

THE Highbury Centre
(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE Highbury Centre
FOR THE YEAR ENDED 31ST DECEMBER 2021

Opinion

We have audited the financial statements of The Highbury Centre (the 'charitable company') for the year ended 31st December 2021 which comprise the Statement of Financial Activities (including the summary Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31st December 2021 and of its incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the charity to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the charitable company's model including the effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of the estimates made by the trustees and the related disclosures and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE Highbury Centre (continued) FOR THE YEAR ENDED 31ST DECEMBER 2021

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on work undertaken during the course of the audit:

- The information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept;
- The financial statements are not in agreement with the accounting records;
- Certain disclosures of trustees' remuneration specified by law are not made;
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the Trustees' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 4 and 5, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE Highbury Centre (continued) FOR THE YEAR ENDED 31ST DECEMBER 2021

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company, and the sector in which it operates and determined which may influence the financial statements. The charitable company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.
- We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation (Companies Act 2006, Charities SORP and UK GAAP (FRS102), data protection and bribery and corruption practices.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making enquiries of management and those charged with governance. We corroborated enquiries through the review of the minutes of meetings of the trustees and correspondence.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where management considered there was susceptibility to fraud. Audit procedures performed by the engagement team included:
 - Evaluation of the processes and controls established to address the risks relating to irregularities and fraud;
 - Challenge of the assumptions and judgements made by management in its significant accounting estimates;
 - Testing manual journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
 - Identifying and testing related party transactions.
- We communicate relevant laws and regulations and potential fraud risk to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations.

We did not identify any matters relating to non-compliance with laws and regulations relating to fraud.

Use of the audit 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. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 responsibilities to anyone other than the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Gower-Smith, FCA (Senior Statutory Auditor)

For and on behalf of Norman Cox & Ashby
Chartered Accountants and Statutory Auditor

Grosvenor Lodge
72 Grosvenor Road
Tunbridge Wells
Kent TN1 2AZ

12th September 2022

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31ST DECEMBER 2021

		Unrestricted Funds	
		2021	2020
	Note	£	£
Income from:			
<i>Donations and legacies</i>		515	27,074
<i>Investments</i>	2	82,405	78,060
<i>Charitable activities:</i>			
Amounts receivable for accommodation, meals and conferences		118,842	204,464
<i>Other sources:</i>			
Local government grant		-	10,000
CJRS grants		58,564	83,438
Total income		<u>260,326</u>	<u>403,036</u>
Expenditure on:			
<i>Raising funds</i>		6,750	10,432
<i>Charitable activities</i>		398,062	498,670
Total expenditure	3	<u>404,812</u>	<u>509,102</u>
Net expenditure before net gains on investments		(144,486)	(106,066)
Net gains on investments	5	<u>54,725</u>	<u>47,519</u>
Net movement in funds		(89,761)	(58,547)
Reconciliation of funds			
Total funds brought forward		<u>2,881,898</u>	<u>2,940,445</u>
Total funds carried forward	11	<u>2,792,137</u>	<u>2,881,898</u>

None of the charitable activities were acquired or discontinued during the year. There are no recognised gains or losses other than the result shown above.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

BALANCE SHEET
AS AT 31ST DECEMBER 2021

		2021		2020	
	Note	£	£	£	£
Fixed assets					
Tangible assets	4		1,230,744		1,274,121
Investments	5		<u>2,846,909</u>		<u>2,796,582</u>
			4,077,653		4,070,703
Current assets					
Stocks	6	2,056		2,691	
Debtors	7	33,690		27,209	
Bank		<u>93,205</u>		<u>209,687</u>	
		128,951		239,587	
Creditors: amounts falling due within one year	8	<u>200,332</u>		<u>129,492</u>	
Net current (liabilities)/assets			<u>(71,381)</u>		<u>110,095</u>
Total assets less current liabilities			4,006,272		4,180,798
Creditors: amounts falling due after one year	9		<u>(1,214,135)</u>		<u>(1,298,900)</u>
Net assets			<u>2,792,137</u>		<u>2,881,898</u>
Funds					
Unrestricted Funds (including Revaluation Reserve of £1,554,874 (2020: £1,514,928)):	11				
Designated funds			784,084		827,461
General fund			<u>2,008,053</u>		<u>2,054,437</u>
			<u>2,792,137</u>		<u>2,881,898</u>

These financial statements were approved by the trustees on
8th September 2022 and signed on their behalf by:

A de Jong
Trustee

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021 £	2020 £
Cash from/(used in) operating activities (Note a)	(63,455)	(4,127)
Cash flows from investing activities		
Interest received	258	898
Dividends received	10,415	11,774
Payments to acquire investments	(122,019)	(158,655)
Proceeds on disposal of investments	126,543	63,434
Payments to acquire fixed assets	-	-
Cash provided by/(used in) investing activities	<u>15,197</u>	<u>(82,549)</u>
Cash flows from financing activities		
Interest paid	(67,404)	(68,977)
Payment of mortgage	(694)	(1,679)
Cash (used in) financing activities	<u>(68,098)</u>	<u>(70,656)</u>
Net cash (outflow)	(116,356)	(157,332)
Cash and cash equivalents at 1 st January 2021	<u>211,384</u>	<u>368,716</u>
Cash and cash equivalents at 31st December 2021 (Note b)	<u>95,028</u>	<u>211,384</u>
a) Cash from/(used) in operating activities		
Net movement in funds	(89,761)	(58,547)
Interest paid and discount movement	63,333	68,977
Interest received	(258)	(898)
Dividends received	(10,415)	(11,774)
Depreciation	43,377	43,377
(Gain)/loss on disposal of investment assets	(2,475)	5,806
Unrealised gain on investment assets	(52,250)	(53,325)
Decrease in stock	635	892
(Increase)/decrease in debtors	(6,481)	1,453
Decrease in creditors	(9,160)	(88)
Cash from/(used in) operating activities	<u>(63,455)</u>	<u>(4,127)</u>
b) Cash and cash equivalents		
At 31 st December 2021		
Bank	93,205	209,687
Dealings account	<u>1,823</u>	<u>1,697</u>
	<u>95,028</u>	<u>211,384</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

c) Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	Non-cash changes £	At 31 December 2021 £
Cash	211,384	(116,356)	-	95,028
Loans falling due within one year	-	-	(80,000)	(80,000)
Loans falling due after more than one year	<u>(1,298,900)</u>	<u>694</u>	<u>84,071</u>	<u>(1,214,135)</u>
Total	<u>(1,087,516)</u>	<u>(115,662)</u>	<u>4,071</u>	<u>(1,199,107)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

1 ACCOUNTING POLICIES

Company information

The Highbury Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 20-26 Aberdeen Park, Highbury, London, N5 2BJ.

Accounting convention

The financial statements have been prepared in accordance with the charity's 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)'. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments. The principal accounting policies are set out below.

Going concern

The trustees have prepared detailed forecasts and cash flow projections, which have been amended to take account of Covid-19, which they believe are based upon reasonable assumptions. The forecasts show that the charity should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets

Tangible fixed assets, other than freehold land and buildings held for the charity's use, are stated at cost less depreciation. Depreciation is provided on major improvements to buildings at 4% per annum on cost, to write off the cost over their expected useful life. Plant, fixtures and fittings costing less than £2,500 are written off as an expense as incurred.

The Charity's policy is to maintain its freehold property to a high standard through a continual programme of maintenance. The trustees consider that the residual value of the property is such that it renders any depreciation immaterial and consequently no annual depreciation charge is shown in the accounts. Freehold land is not depreciated.

Fixed asset investments

Investments are stated at fair value. Realised and unrealised gains are reflected through the Statement of Financial Activities.

Stocks

Stock comprises provisions and house sundries which are included at a net realisable valuation made by the manager.

Debtors

Amounts due from guests and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

1 ACCOUNTING POLICIES (continued)

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Income recognition

Accommodation charges, meals and conference income are accounted for on a receivable basis, net of VAT.

Investment income and bank interest are the amounts received for the year.

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

Grant income from the Coronavirus Job Retention Scheme is recognised in the period to which the underlying furloughed staff costs relate.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including governance costs, are charged directly to the activity when incurred.

Funds structure

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the objects of the charity. Designated funds are unrestricted funds set aside by the trustees for specific purposes. The charity doesn't have any restricted funds.

Pension scheme

The company operates a defined contribution scheme. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

Operating lease rentals

Rentals under operating leases are charged to the income and expenditure account as incurred.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

2 INVESTMENT INCOME

	2021	2020
<i>Arising from investment assets held in the UK</i>	<i>£</i>	<i>£</i>
Rents receivable	71,732	69,610
Investments listed on a recognised stock exchange	10,415	7,552
Bank and stockbroker's interest	258	898
	<u>82,405</u>	<u>78,060</u>

3 EXPENDITURE

	Charitable activities	Raising funds	2021 Total	2020 Total
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Establishment expenses				
Electricity & gas	15,163	-	15,163	17,956
Insurance	24,750	-	24,750	23,209
Rates & refuse collection	6,132	-	6,132	7,698
Repairs, renewals & improvements:				
Premises	6,977	-	6,977	6,337
Furniture and equipment	5,762	-	5,762	7,882
Depreciation	43,377	-	43,377	43,377
Road charges	1,912	-	1,912	1,821
	<u>104,073</u>	<u>-</u>	<u>104,073</u>	<u>108,280</u>
Housekeeping expenses				
Gardening	15	-	15	105
Hire of equipment	7,762	-	7,762	8,389
House sundries	3,945	-	3,945	6,155
Laundry & cleaning	2,589	-	2,589	3,623
Provisions & purchases for incidental sales & charges	7,468	-	7,468	12,193
Salaries, wages, pensions & training (note 12)	178,778	-	178,778	258,771
	<u>200,557</u>	<u>-</u>	<u>200,557</u>	<u>289,236</u>
Overhead expenses				
Advertising	-	2,352	2,352	6,809
Auditor's remuneration – statutory audit	4,290	-	4,290	4,886
Other professional fees	15,859	4,398	20,257	19,804
Bank charges & interest	258	-	258	377
Computer equipment & internet charges	3,986	-	3,986	3,630
Credit card charges	2,375	-	2,375	2,721
Office telephone & mobiles	2,281	-	2,281	3,626
Mortgage interest & discount movement	63,333	-	63,333	68,977
Mortgage fees	350	-	350	-
Stationery, postage & sundries	700	-	700	756
	<u>93,432</u>	<u>6,750</u>	<u>100,182</u>	<u>111,586</u>
Total expenditure	<u>398,062</u>	<u>6,750</u>	<u>404,812</u>	<u>509,102</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

4 TANGIBLE FIXED ASSETS
Held for charity use

	Freehold Land & Buildings £	Major Improvements £	Total 2021 £
Cost:			
At 1 st January 2021	511,660	1,084,429	1,596,089
Additions	-	-	-
At 31 st December 2021	<u>511,660</u>	<u>1,084,429</u>	<u>1,596,089</u>
Depreciation:			
At 1 st January 2021	-	321,968	321,968
Charge for the year	-	<u>43,377</u>	<u>43,377</u>
At 31 st December 2021	-	<u>365,345</u>	<u>365,345</u>
Net book value:			
At 31 st December 2021	<u>511,660</u>	<u>719,084</u>	<u>1,230,744</u>
At 31 st December 2020	<u>511,660</u>	<u>762,461</u>	<u>1,274,121</u>

5 FIXED ASSET INVESTMENTS

	Freehold Land & Buildings £	Listed Investments £	Total 2021 £
At market value:			
At 1 st January 2021	2,355,000	441,582	2,796,582
Realised gain on disposal	-	2,475	2,475
Unrealised gain/(loss) in market value	-	52,250	52,250
Funds transferred to investments	-	-	-
Management fees paid	-	(4,398)	(4,398)
At 31 st December 2021	<u>2,355,000</u>	<u>491,909</u>	<u>2,846,909</u>
At cost:			
At 1 st January 2021	920,989	360,665	1,281,654
Additions for the year	-	122,019	122,019
Disposals in the year	-	(111,638)	(111,638)
At 31 st December 2021	<u>920,989</u>	<u>371,046</u>	<u>1,292,035</u>

The freehold land and buildings, 98 Aberdeen Park, London N5 were valued on an open market value basis at 4th February 2021 by Copping Joyce, Chartered Surveyors at £2,355,000.

The listed investments portfolio is structured in direct investments in listed securities on a UK stock exchange, and in the furtherance of the charity's objectives and is held wholly within the UK.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

6 STOCKS	2021	2020
	£	£
Provisions	651	645
House sundries	1,405	1,827
Stationery	-	219
	<u>2,056</u>	<u>2,691</u>
7 DEBTORS	2021	2020
	£	£
Due from guests	244	358
Other debtors	2,578	757
Prepayments	<u>30,868</u>	<u>26,094</u>
	<u>33,690</u>	<u>27,209</u>
8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Loan	80,000	-
Trade creditors	39,131	32,709
Other taxes and social security	60,729	62,847
Accruals and deferred income	<u>20,472</u>	<u>33,936</u>
	<u>200,332</u>	<u>129,492</u>

9 LOANS

The company has two Suffolk Building Society loans (formerly Ipswich Building Society) each of £750,000 and both repayable by February 2032. They are secured by way of a fixed charge on the company's premises, 20-26 Aberdeen Park and 98 Aberdeen Park, London N5 and bear interest, one at a fixed rate of 6% until 30th November 2021. This has subsequently been reset to 3.99% from 1st December 2021. The other at a variable rate of 0.75% below the Society's commercial standard variable rate (currently 5.09%) until 31st January 2032. The trustees consider the loans to represent significantly less than the value of the secured properties, which have a carrying value of £3,585,744.

A repayment of £80,000 is to be made within one year and has been included under Creditors: Amounts falling due within one year (note 8).

The loans have been measured at amortised cost using the effective interest rate method. The carrying value of the loans is adjusted each year so that the interest charge is even over the course of the loans.

	£
Present value of loans brought forward	1,298,900
Repayment in the year	(694)
Movement in discount in the year	(4,071)
Present value of loans carried forward	<u>1,294,135</u>
	£
Loans amount due within one year	80,000
Loans amount due after one year	<u>1,214,135</u>
Present value of loans carried forward	<u>1,294,135</u>

The interest expense, calculated using the effective interest method, for financial liabilities measured at amortised cost is £63,333 (2020: £68,977).

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

10	FINANCIAL INSTRUMENTS		2021	2020		
			£	£		
	Carrying amount of financial assets					
	Debt instruments measured at amortised cost		96,027	210,802		
	Instruments measured at fair value through Statement of Financial Activities		491,909	441,582		
			587,936	652,384		
	Carrying amount of financial liabilities					
	Measured at amortised cost		1,411,472	1,411,666		
11	FUNDS	Unrestricted Funds	Designated Funds			
	2021		Bursary Fund	Improvement Refurbish- of premises ment reserve	Total 2021	
		£	£	£	£	
	Income	260,326	-	-	260,326	
	Expenditure	(361,435)	-	(43,377)	(404,812)	
	Net expenditure before investment gains	(101,109)	-	(43,377)	(144,486)	
	Other recognised gains	54,725	-	-	54,725	
	Net movements in funds	(46,384)	-	(43,377)	(89,761)	
	Fund balances brought forward	2,054,437	20,000	762,461	45,000	2,881,898
	Fund balances carried forward	2,008,053	20,000	719,084	45,000	2,792,137
		Unrestricted Funds	Designated Funds			
	2020		Bursary Fund	Improvement Refurbish- of premises ment reserve	Total 2020	
		£	£	£	£	
	Income	403,036	-	-	403,036	
	Expenditure	(465,725)	-	(43,377)	(509,102)	
	Net expenditure before investment gains	(62,689)	-	(43,377)	(106,066)	
	Other recognised gains	47,519	-	-	47,519	
	Net movements in funds	(15,170)	-	(43,377)	(58,547)	
	Fund balances brought forward	2,069,607	20,000	805,838	45,000	2,940,445
	Fund balances carried forward	2,054,437	20,000	762,461	45,000	2,881,898

The designated funds were set aside by the trustees to provide bursaries for less well off guests and to fund the improvements to the facilities including additional funds borrowed and set aside for the planned improvements, and future refurbishments to maintain the premises in a first class condition.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

12 STAFF COSTS	2021 £	2020 £
Gross salaries	165,936	242,521
Social security costs	5,982	7,020
Pension costs	6,860	9,230
	<u>178,778</u>	<u>258,771</u>

Average monthly number of employees: 10 14

No employee received remuneration in excess of £60,000 in the year or preceding year.

Remuneration of key management personnel

Aggregate remuneration	<u>32,857</u>	<u>31,153</u>
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13 PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounts to £6,860 for the year (2020: £9,230).

14 TRUSTEES

Remuneration and reimbursement of trustees' expenses

During the year, the trustees received no remuneration. No trustee was reimbursed for expenses (2020: 2 trustees were reimbursed a total of £56 for travelling expenses) incurred in connection with the business of the charity.

15 AUDITOR'S REMUNERATION

	2021 £	2020 £
Fees payable for the audit of the charity's accounts	<u>4,290</u>	<u>4,886</u>

16 FINANCIAL COMMITMENTS

At 31st December 2021 the charity had contracted with tenants for the following lease payments:

	2021 £	2020 £
Within one year	<u>72,000</u>	<u>72,000</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021 (continued)

17 COMPANY STATUS

The charity is a company limited by guarantee with no share capital. The liability of each member, of which at the year-end there were 6 (2020: 6), does not exceed the sum of £10.

18 RELATED PARTY TRANSACTIONS

The charity paid for trustee indemnity insurance on behalf of the trustees as part of its combined insurance policy.

A relative of key management personnel was employed by the company and received a gross salary of £22,691 (2020: £21,635).

THE Highbury Centre

England & Wales - Charity number 1113000

Accounts

THE Highbury Centre
(A company limited by guarantee
and not having a share capital)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

Company number: 05422555
Charity number: 1113000

THE Highbury Centre
(A company limited by guarantee
and not having a share capital)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

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THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2020

The trustees present their report and the financial statements for the charity for the year ended 31st December 2020 which have been prepared in accordance with accounting policies set out in Note 1 to the financial statements and comply with the Charity's 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).

Reference and administrative information

The company is a registered charity and a company limited by guarantee with no share capital (Charity number: 1113000, Company number: 05422555, incorporated in England and Wales). The company's registered office is 20-26 Aberdeen Park, Highbury, London N5 2BJ.

Trustees:

The following served during the year:

Mr P Brenells
Mr I Feltham
Mr A de Jong
Miss E A McPherson
Rev D D Miller
Mrs J Campbell

Key Management Personnel:

Chair of Trustees	Mr A de Jong
Company Secretary	Mr C M Thompson
Manager	Mrs S Scalora
Our advisers:	
Bankers	Barclays Bank plc PO Box 3474 London NW1 7NQ
Solicitors	Pothecary Witham Weld 70 St George's Square London SW1 3RD
Investment advisers	Brewin Dolphin Limited 5 Giltspur Street London EC1A 9BD
Auditors	Norman Cox & Ashby Grosvenor Lodge 72 Grosvenor Road Tunbridge Wells Kent TN1 2AZ

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

Structure, Governance and Management

The charity is a company limited by guarantee, incorporated on 12th April 2005 with the name The Foreign Missions Club 2005 and it was registered with the Charity Commission on 15th February 2006. The company is now governed by its Articles of Association which established the objects and powers of the charitable company and governs its activities. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

On 1st September 2006 the company took over the assets, undertaking and employees of the Foreign Missions Club (Charity number: 227866). On 6th August 2008 the company changed its name to The Highbury Centre.

Appointment and induction of trustees

Trustees are appointed by a majority vote of the board of trustees. The Articles of Association provides for a minimum of three trustees and a maximum of fifteen. (The trustees for the purposes of company law are directors of the company).

New trustees undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and the decision-making processes and the recent performance of the charity. They meet key employees and the other trustees.

Risk Management

The trustees have during the year re-assessed all the major risks to which the charity is exposed and are satisfied that systems remain in place to mitigate their exposure to these risks.

Financial sustainability remains the major financial risk, especially considering the unprecedented ongoing consequences of Covid-19. A key element in the management of this risk is a quarterly review of the marketing strategy which includes the charities website, visitor statistics and management accounts and other financial information including cash flows and budgets. Since the first Covid-19 lockdown a significant number of the staff have been furloughed under the Corona Job Retention Scheme and cost savings were implemented.

Attention has also focussed on non-financial risks arising from health and safety of guests, fire and food hygiene. These risks are managed with the assistance of professional advisers, having robust policies in place and regular awareness training for all staff.

Organisational policy

The operations of the charity are conducted through the Manager, Mrs Sue Scalora, in accordance with the policy and strategy approved by the trustees. The trustees assist the manager by being involved in practical support of the work, and in the area of the spiritual ministry of the Centre. The manager reports directly to the trustees and regularly meets formally with the full board of trustees to review the financial status and progress of the charity. During the year the Assistant Manager Miss Halyna Kovalchuk, has as part of her brief, continued to provide the trustees with key performance information to help in this regard and keep the website updated as appropriate.

The key management personnel of the charity include the above and are in charge of directing, controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received any remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in Notes 14 and 18 to the financial statements.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity's activities, the trustees try to benchmark pay levels in other Centres and local guest houses. The other staff are paid the National Living Wage.

Objectives and activities

The objects of the charity are the provision of guest houses for the reception, accommodation, boarding and maintenance of foreign and home missionaries and Christian friends with the interest and object of maintaining such guest houses as Protestant Evangelical guest houses and for the promotion of other religious or charitable purposes as the trustees think fit.

Since 1st September 2006 the charity has run the Highbury Centre London which exists to provide attractive accommodation for missionaries, Christian workers, overseas visitors, students and others in London. This includes bed and breakfast, and conference accommodation. The Centre has 40 rooms and 16 of the rooms provide en-suite accommodation. To facilitate all of this it is important that the buildings are well maintained and remain welcoming to guests.

When reviewing the provision of facilities and services to guests for the year, the trustees have considered the Charity Commission's guidance on public benefit. In addition, management keeps under review methods to save energy and being greener as well as looking to re-cycle wherever possible.

In addition to providing all guests and students with the chance to experience opportunities for spiritual development, pastoral care and the opportunities to meet and network with others, one of the many other benefits provided to guests is through discounted rates for missionaries, Christian workers and to a lesser extent, students.

Achievements and performance

Following Covid-19 and the first lockdown the Centre reopened on the 4th July 2020. The levels of bookings were disappointing and with the second and third lockdowns have been restricted under the government guidelines to only certain categories of worker rather than to all guests. There were two redundancies following the ending of the first Corona Job Retention scheme and costs have been reduced to an absolute minimum but an ongoing level of overheads, utilities and maintenance costs could not be avoided to keep the Centre available to be fully reopened when this becomes possible. All the staff, except the management staff, were furloughed under the various Corona Job Retention Schemes and will remain so until the end of the current scheme at the end of September 2021 by which time it is hoped that levels of bookings will have increased so as to fully employ all the staff going forward. Missionaries and Christian workers, as well as students, have continued to benefit from discounted rates. Visitor numbers decreased to 3,118 visitor nights in 2020 as compared with 14,676 in 2019. This was largely due to a decrease in the number of Missionaries and Christian workers although the student group occupancy showed a slight increase. A net income of £47,519, before the revaluation adjustments of fixed assets, was achieved as compared with £84,492 in 2019, which the trustees regard as satisfactory in the circumstances.

Financial review

The amounts receivable from visitors was £204,464 (2019: £624,922), of which £498,670 (2019: £591,385) was spent on direct charitable activities, and total expenditure in the period was £509,102 (2019: £627,459). This resulted in funds carried forward of £2,881,898 (2019: £2,940,445), which in the Balance Sheet are principally represented by the investments and the amount spent on the refurbishment. Following the completion of the refurbishment works, there remains a part of these funds held in realisable investments, which at the year end had a value of £441,582 (2019: £352,686). The trustees have also set aside £20,000 (2019: £20,000) to provide a bursary fund which is available to enable guests with limited

THE Highbury Centre

(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

resources to enjoy the facilities the Centre provides and £45,000 (2019 - £45,000) for ongoing cyclical maintenance so that the buildings can continue to be well maintained. Further details of the financial results for the year are given in the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the accompanying notes.

Reserves Policy

It is the trustees' policy to function with maximum 'free' reserves of £1,000,000 to fund developments and capital expenditure projects, phased over a number of years, required at the Centre's premises in connection with improved dining facilities and accommodation. At present the free reserves are significantly less than this target level. The trustees consider that improving the annual surplus through targeted marketing efforts will result in increased occupancy rates and this is the best way to achieve their reserve policy. This will also provide the resources in the medium to longer term to pay off the loans.

The operational reserves, which after taking out the investment property revaluation reserve, currently stands at approximately £550,000. This is also after allowing for those resources designated for the improvement of the premises and ongoing cyclical maintenance to keep the Centre as a first-class facility which are detailed in note 11 of the accounts.

Investment policy

The trustees have continued to use Brewin Dolphin Limited as investment managers. The policy adopted, is one of a medium risk strategy based on maximising income and the investment managers are working towards a target return agreed by the trustees. The trustees consider the return on the investments in the year to be satisfactory. The trustees also continue to monitor the performance of the investments in light of current market conditions. The charity has made such investments to generate a return and has made no social investments.

Plans for the future

The trustees remain positive about the future and following the complete reopening of the Centre from 17th May 2021, albeit still operating within government guidelines during the ongoing roll out of the government roadmap to complete normality, are hopeful that the occupancy levels being achieved until the pandemic will again be achieved. Future developments are difficult to predict and occupancy rates and cash flows will continue to be closely monitored. Costs continue to be of concern particularly and will continue to be monitored very closely. The trustees continue to look at ways of widening the Centre's purposes and providing day conference facilities and other similar activities so that increased occupancy will provide a greater contribution to meeting the increasing costs.

Statement of trustees' responsibilities

The trustees (who are the directors of The Highbury Centre for the purposes of company law) 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 affairs of the company and of its incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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;

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 05422555)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware;
- the trustees have taken all the 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.

This report is prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

20-26 Aberdeen Park
Highbury
London
N5 2BJ

ON BEHALF OF THE TRUSTEES

A de Jong
29th July 2021
Chairman

THE Highbury Centre
(A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE Highbury Centre
FOR THE YEAR ENDED 31ST DECEMBER 2020

Opinion

We have audited the financial statements of The Highbury Centre (the 'charitable company') for the year ended 31st December 2020 which comprise the Statement of Financial Activities (including the summary Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31st December 2020 and of its incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on work undertaken during the course of the audit:

- The information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

THE Highbury Centre

(A company limited by guarantee and not having a share capital)

(Charity number 1113000, Company number 5422555)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE Highbury Centre (continued) FOR THE YEAR ENDED 31ST DECEMBER 2020

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept;
- The financial statements are not in agreement with the accounting records;
- Certain disclosures of trustees' remuneration specified by law are not made;
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the Trustees' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 4 and 5, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of the audit 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. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 responsibilities to anyone other than the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Gower-Smith, FCA (Senior Statutory Auditor)

For and on behalf of Norman Cox & Ashby
Chartered Accountants and Statutory Auditor

29th July 2021

Grosvenor Lodge
72 Grosvenor Road
Tunbridge Wells
Kent TN1 2AZ

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31ST DECEMBER 2020

		Unrestricted Funds	
		2020	2019
	Note	£	£
Income from:			
<i>Donations and legacies</i>		27,074	1,545
<i>Investments</i>	2	78,060	85,484
<i>Charitable activities:</i>			
Amounts receivable from visitors		204,464	624,922
<i>Other sources:</i>			
Local government grant		10,000	-
CJRS grants		83,438	-
Total income		<u>403,036</u>	<u>711,951</u>
Expenditure on:			
<i>Raising funds</i>		10,432	36,074
<i>Charitable activities</i>		498,670	591,385
Total expenditure	3	<u>509,102</u>	<u>627,459</u>
Net gains on investments	5	<u>47,519</u>	<u>46,215</u>
Net movement in funds		(58,547)	130,707
Reconciliation of funds			
Total funds brought forward		<u>2,940,445</u>	<u>2,809,738</u>
Total funds carried forward	11	<u>2,881,898</u>	<u>2,940,445</u>

None of the charitable activities were acquired or discontinued during the year. There are no recognised gains or losses other than the result shown above.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

BALANCE SHEET
AS AT 31ST DECEMBER 2020

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	4		1,274,121		1,317,498
Investments	5		<u>2,796,582</u>		<u>2,652,686</u>
			4,070,703		3,970,184
Current assets					
Stocks	6	2,691		3,583	
Debtors	7	27,209		28,662	
Bank		<u>209,687</u>		<u>368,175</u>	
		239,587		400,420	
Creditors: amounts falling due within one year	8	<u>129,492</u>		<u>129,580</u>	
Net current assets			<u>110,095</u>		<u>270,840</u>
Total assets less current liabilities			4,180,798		4,241,024
Creditors: amounts falling due after one year	9		<u>(1,298,900)</u>		<u>(1,300,579)</u>
Net assets			<u>2,881,898</u>		<u>2,940,445</u>
Funds					
Unrestricted Funds (including Revaluation Reserve of £1,514,928 (2019: £1,461,375)):	11				
Designated funds		827,461		870,838	
General fund		<u>2,054,437</u>		<u>2,069,607</u>	
			<u>2,881,898</u>		<u>2,940,445</u>

These financial statements were approved by the trustees on 29th July 2021 and signed on their behalf by:

A de Jong
Trustee

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 £	2019 £
Cash (from)/used in operating activities (Note a)	(4,127)	93,500
Cash flows from investing activities		
Interest received	898	1,428
Dividends received	11,774	11,550
Payments to acquire investments	(158,655)	(47,740)
Proceeds on disposal of investments	63,434	50,237
Payments to acquire fixed assets	-	(52,670)
Cash used in investing activities	<u>(82,549)</u>	<u>(37,195)</u>
Cash flows from financing activities		
Interest paid	(68,977)	(71,179)
Payment of mortgage	<u>(1,679)</u>	<u>(4,896)</u>
Cash used in financing activities	<u>(70,656)</u>	<u>(76,075)</u>
Net cash outflow	(157,332)	(19,770)
Cash and cash equivalents at 1 st January 2020	<u>368,716</u>	<u>388,486</u>
Cash and cash equivalents at 31st December 2020 (Note b)	<u>211,384</u>	<u>368,716</u>
a) Cash (from)/used in operating activities		
Net (expenditure)/income	(58,547)	130,707
Interest paid shown in financing activities	68,977	71,179
Interest received shown in investing activities	(898)	(1,428)
Dividends received shown in investing activities	(11,774)	(11,550)
Depreciation	43,377	42,587
(Gain)/loss on disposal of investment assets	5,806	(6,972)
Unrealised gain on investment assets	(53,325)	(39,243)
Decrease in stock	892	(1,381)
(Increase)/decrease in debtors	1,453	(2,153)
Decrease in creditors	<u>(88)</u>	<u>(88,246)</u>
Cash (from)/used in operating activities	<u>(4,127)</u>	<u>93,500</u>
b) Cash and cash equivalents		
At 31 st December 2020		
Bank	209,687	368,175
Dealings account	<u>1,697</u>	<u>541</u>
	<u>211,384</u>	<u>368,716</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1 ACCOUNTING POLICIES

Company information

The Highbury Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is 20-26 Aberdeen Park, Highbury, London, N5 2BJ.

Accounting convention

The financial statements have been prepared in accordance with the charity's 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)'. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments. The principal accounting policies are set out below.

Going concern

The trustees have prepared detailed forecasts and cash flow projections, which have been amended to take account of Covid-19, which they believe are based upon reasonable assumptions. The forecasts show that the charity should be able to operate for the foreseeable future and thus the trustees consider it appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets

Tangible fixed assets, other than freehold land and buildings held for the charity's use, are stated at cost less depreciation. Depreciation is provided on major improvements to buildings at 4% per annum on cost, to write off the cost over their expected useful life. Plant, fixtures and fittings costing less than £2,500 are written off as an expense as incurred.

The Charity's policy is to maintain its freehold property to a high standard through a continual programme of maintenance. The trustees consider that the residual value of the property is such that it renders any depreciation immaterial and consequently no annual depreciation charge is shown in the accounts. Freehold land is not depreciated.

Fixed asset investments

Investments are stated at fair value. Realised and unrealised gains are reflected through the Statement of Financial Activities.

Stocks

Stock comprises provisions and house sundries which are included at a net realisable valuation made by the manager.

Debtors

Amounts due from guests and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

1 ACCOUNTING POLICIES (continued)

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Income recognition

Accommodation charges and meals income are accounted for on a receivable basis, net of VAT.

Investment income and bank interest are the amounts received for the year.

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. The income from fundraising is shown gross, with the associated costs included in fundraising costs. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income. Assets given for distribution by the charity are received as income when distributed and stated in the accounts at the trustees' estimated market value at the time of receipt.

Grant income from the Coronavirus Job Retention Scheme is recognised in the period to which the underlying furloughed staff costs relate.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The majority of costs are directly attributable to specific activities. Staff costs are allocated on the basis of time spent by staff on each activity. Office costs, including governance costs, are charged directly to the activity when incurred.

Funds structure

Unrestricted funds are expendable at the discretion of the trustees in the furtherance of the objects of the charity. Designated funds are unrestricted funds set aside by the trustees for specific purposes. The charity doesn't have any restricted funds.

Pension scheme

The company operates a defined contribution scheme. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

Operating lease rentals

Rentals under operating leases are charged to the income and expenditure account as incurred.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

2 INVESTMENT INCOME

	2020	2019
<i>Arising from investment assets held in the UK</i>	<i>£</i>	<i>£</i>
Rents receivable	69,610	72,506
Investments listed on a recognised stock exchange	7,552	11,550
Bank and stockbroker's interest	898	1,428
	<u>78,060</u>	<u>85,484</u>

3 EXPENDITURE

	Charitable activities	Raising funds	2020	2019
	<i>£</i>	<i>£</i>	<i>Total</i>	<i>Total</i>
			<i>£</i>	<i>£</i>
Establishment expenses				
Electricity & gas	17,956	-	17,956	21,017
Insurance	23,209	-	23,209	22,486
Rates & refuse collection	7,698	-	7,698	9,010
Repairs, renewals & improvements:				
Premises	6,337	-	6,337	27,533
Furniture and equipment	7,882	-	7,882	6,628
Depreciation	43,377	-	43,377	42,587
Road charges	1,821	-	1,821	1,527
	<u>108,280</u>	<u>-</u>	<u>108,280</u>	<u>130,788</u>
Housekeeping expenses				
Gardening	105	-	105	97
Hire of equipment	8,389	-	8,389	7,212
House sundries	6,155	-	6,155	15,417
Laundry & cleaning	3,623	-	3,623	12,392
Provisions & purchases for incidental sales & charges	12,193	-	12,193	41,555
Salaries, wages, pensions & training (note 12)	258,771	-	258,771	269,723
	<u>289,236</u>	<u>-</u>	<u>289,236</u>	<u>346,396</u>
Overhead expenses				
Advertising	-	6,809	6,809	32,890
Auditor's remuneration – statutory audit	4,886	-	4,886	4,241
Other professional fees	16,181	3,623	19,804	21,922
Bank charges & interest	377	-	377	603
Computer equipment & internet charges	3,630	-	3,630	5,102
Credit card charges	2,721	-	2,721	10,266
Office telephone & mobiles	3,626	-	3,626	2,217
Mortgage interest	68,977	-	68,977	71,179
Stationery, postage & sundries	756	-	756	1,855
	<u>101,154</u>	<u>10,432</u>	<u>111,586</u>	<u>150,275</u>
Total expenditure	<u>498,670</u>	<u>10,432</u>	<u>509,102</u>	<u>627,459</u>

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

4 TANGIBLE FIXED ASSETS
Held for charity use

	Freehold Land & Buildings £	Major Improvements £	Total 2020 £
Cost:			
At 1 st January 2020	511,660	1,084,429	1,596,089
Additions	-	-	-
At 31 st December 2020	<u>511,660</u>	<u>1,084,429</u>	<u>1,596,089</u>
Depreciation:			
At 1 st January 2020	-	278,591	278,591
Charge for the year	-	<u>43,377</u>	<u>43,377</u>
At 31 st December 2020	-	<u>321,968</u>	<u>321,968</u>
Net book value:			
At 31 st December 2020	<u>511,660</u>	<u>762,461</u>	<u>1,274,121</u>
At 31 st December 2019	<u>511,660</u>	<u>805,838</u>	<u>1,317,498</u>

5 FIXED ASSET INVESTMENTS

	Freehold Land & Buildings £	Listed Investments £	Total 2020 £
At market value:			
At 1 st January 2020	2,300,000	352,686	2,652,686
Realised (loss) on disposal	-	(5,806)	(5,806)
Unrealised gain/(loss) in market value	55,000	(1,675)	53,325
Funds transferred to investments	-	100,000	100,000
Management fees paid	-	(3,623)	(3,623)
At 31 st December 2020	<u>2,355,000</u>	<u>441,582</u>	<u>2,796,582</u>
At cost:			
At 1 st January 2020	920,989	270,322	1,191,311
Additions for the year	-	158,655	158,655
Disposals in the year	-	(68,312)	(68,312)
At 31 st December 2020	<u>920,989</u>	<u>360,665</u>	<u>1,281,654</u>

The freehold land and buildings, 98 Aberdeen Park, London N5 were valued on an open market value basis at 4th February 2021 by Copping Joyce, Chartered Surveyors at £2,355,000.

The listed investments portfolio is structured in direct investments in listed securities on a UK stock exchange, and in the furtherance of the charity's objectives and is held wholly within the UK.

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

6 STOCKS	2020	2019
	£	£
Provisions	645	1,611
House sundries	1,827	1,579
Stationery	219	393
	<u>2,691</u>	<u>3,583</u>
7 DEBTORS	2020	2019
	£	£
Due from guests	358	206
Other debtors	757	2,729
Prepayments	26,094	25,727
	<u>27,209</u>	<u>28,662</u>
8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Trade creditors	32,709	35,343
Other taxes and social security	62,847	18,337
Accruals and deferred income	33,936	75,900
	<u>129,492</u>	<u>129,580</u>

9 LOANS

The company has taken two Ipswich Building Society loans each of £750,000 and both repayable by February 2032. They are secured by way of a fixed charge on the company's premises, 20-26 Aberdeen Park and 98 Aberdeen Park, London N5 and bear interest, one at a fixed rate of 6% until 30th November 2021 and the other at a variable rate of 0.75% below the Society's commercial standard variable rate (currently 4.74%) until 31st January 2032. The trustees consider the loans to represent significantly less than the value of the secured properties, which have a carrying value of £3,629,121. No capital repayment has been made in 2020.

The loans have been measured at amortised cost using the effective interest rate method. The carrying value of the loans is adjusted each year so that the interest charge is even over the course of the loans.

	£
Present value of loans brought forward	1,300,579
Repayment in the year	-
Movement in discount in the year	(1,679)
Present value of loans carried forward	<u>1,298,900</u>
	£
Loans amount due within one year	-
Loans amount due after one year	1,298,900
Present value of loans carried forward	<u>1,298,900</u>

The interest expense, calculated using the effective interest method, for financial liabilities measured at amortised cost is £68,977 (2019: £71,179).

THE Highbury Centre (A company limited by guarantee and not having a share capital)
(Charity number 1113000, Company number 05422555)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

10	FINANCIAL INSTRUMENTS		2020	2019		
			£	£		
	Carrying amount of financial assets					
	Debt instruments measured at amortised cost		210,802	371,110		
	Instruments measured at fair value through Statement of Financial Activities		441,582	352,686		
			652,384	723,796		
	Carrying amount of financial liabilities					
	Measured at amortised cost		1,411,666	1,411,822		
11	FUNDS	Unrestricted Funds	Designated Funds			
	2020		Bursary Fund	Improvement Refurbish- of premises ment reserve	Total 2020	
		£	£	£	£	
	Income	403,036	-	-	403,036	
	Expenditure	(465,725)	-	(43,377)	(509,102)	
	Net expenditure before investment gains	(62,689)	-	(43,377)	(106,066)	
	Other recognised gains	47,519	-	-	47,519	
	Net movements in funds	(15,170)	-	(43,377)	(58,547)	
	Fund balances brought forward	2,069,607	20,000	805,838	45,000	2,940,445
	Fund balances carried forward	2,054,437	20,000	762,461	45,000	2,881,898
		Unrestricted Funds	Designated Funds			
	2019		Bursary Fund	Improvement Refurbish- of premises ment reserve	Total 2019	
		£	£	£	£	
	Income	711,951	-	-	-	711,951
	Expenditure	(584,872)	-	(42,587)	-	(627,459)
	Net income before investment gains	127,079	-	(42,587)	-	84,492
	Other recognised gains	46,215	-	-	-	46,215
	Transfers	(52,670)	-	52,670	-	-
	Net movements in funds	120,624	-	10,083	-	130,707
	Fund balances brought forward	1,948,983	20,000	795,755	45,000	2,809,738
	Fund balances carried forward	2,069,607	20,000	805,838	45,000	2,940,445

The designated funds were set aside by the trustees to provide bursaries for less well off guests and to fund the improvements to the facilities including additional funds borrowed and set aside for the planned improvements, and future refurbishments to maintain the premises in a first class condition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

12 STAFF COSTS	2020 £	2019 £
Gross salaries	242,521	251,143
Social security costs	7,020	9,454
Pension costs	<u>9,230</u>	<u>9,126</u>
	<u>258,771</u>	<u>269,723</u>

Average monthly number of employees: 14 15

No employee received remuneration in excess of £60,000 in the year or preceding year. During the year, termination payments of £12,254 were made. These are recognised when legal agreement is reached.

Remuneration of key management personnel

Aggregate remuneration	<u>31,153</u>	<u>31,586</u>
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13 PENSION COSTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounts to £9,230 for the year (2019: £9,126).

14 TRUSTEES

Remuneration and reimbursement of trustees' expenses

During the year, the trustees received no remuneration, 2 (2019 – 3) trustees were reimbursed £56 (2019 - £170) for travelling expenses incurred in connection with the business of the charity.

15 AUDITOR'S REMUNERATION

	2020 £	2019 £
Fees payable for the audit of the charity's accounts	<u>4,886</u>	<u>4,241</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

16 FINANCIAL COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are:

	2020	2019
	£	£
Minimum lease payments under operating leases:		
Within one year	-	5,628
Within 2 to 5 years	-	-
Over 5 years	-	-
	<u>-</u>	<u>5,628</u>

During the year, lease payments of £5,628 (2019: £7,502) were charged to the Statement of Financial Activities.

At 31st December 2020 the charity had contracted with tenants for the following lease payments:

	2020	2019
	£	£
Within one year	<u>72,000</u>	<u>62,000</u>

17 COMPANY STATUS

The charity is a company limited by guarantee with no share capital. The liability of each member, of which at the year-end there were 6 (2019: 6), does not exceed the sum of £10.

18 RELATED PARTY TRANSACTIONS

The charity paid for trustee indemnity insurance on behalf of the trustees as part of its combined insurance policy.

A relative of key management personnel was employed by the company and received a gross salary of £21,635 (2019: £21,851).