

**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

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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:

<b>Chair of Trustees</b>	Mr A de Jong
<b>Company Secretary</b>	Mr C M Thompson
<b>Manager</b>	Mrs S Scalora
<b>Our advisers:</b>	
<b>Bankers</b>	Barclays Bank plc PO Box 3474 London NW1 7NQ
<b>Solicitors</b>	Pothecary Witham Weld 70 St George's Square London SW1 3RD
<b>Investment advisers</b>	Brewin Dolphin Limited 5 Giltspur Street London EC1A 9BD
<b>Auditors</b>	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)

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#### **Structure, Governance and Management**

The charity is a company limited by guarantee, incorporated on 12<sup>th</sup> April 2005 with the name The Foreign Missions Club 2005 and it was registered with the Charity Commission on 15<sup>th</sup> 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 1<sup>st</sup> September 2006 the company took over the assets, undertaking and employees of the Foreign Missions Club (Charity number: 227866). On 6<sup>th</sup> 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**

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### **REPORT OF THE TRUSTEES**

FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

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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 1<sup>st</sup> 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 4<sup>th</sup> 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

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### REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

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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 17<sup>th</sup> 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

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### REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2020 (continued)

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- 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  
29<sup>th</sup> 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 31<sup>ST</sup> DECEMBER 2020**

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#### **Opinion**

We have audited the financial statements of The Highbury Centre (the 'charitable company') for the year ended 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>ST</sup> DECEMBER 2020**

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#### **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

29<sup>th</sup> 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	£	£
<b>Income from:</b>			
<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	-
<b>Total income</b>		<u>403,036</u>	<u>711,951</u>
<b>Expenditure on:</b>			
<i>Raising funds</i>		10,432	36,074
<i>Charitable activities</i>		498,670	591,385
<b>Total expenditure</b>	3	<u>509,102</u>	<u>627,459</u>
Net gains on investments	5	<u>47,519</u>	<u>46,215</u>
<b>Net movement in funds</b>		(58,547)	130,707
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,940,445</u>	<u>2,809,738</u>
<b>Total funds carried forward</b>	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)  
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BALANCE SHEET  
AS AT 31ST DECEMBER 2020

		2020		2019	
	Note	£	£	£	£
<b>Fixed assets</b>					
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
<b>Current assets</b>					
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	
<b>Creditors:</b> amounts falling due within one year	8	<u>129,492</u>		<u>129,580</u>	
<b>Net current assets</b>			<u>110,095</u>		<u>270,840</u>
<b>Total assets less current liabilities</b>			4,180,798		4,241,024
<b>Creditors:</b> amounts falling due after one year	9		<u>(1,298,900)</u>		<u>(1,300,579)</u>
<b>Net assets</b>			<u>2,881,898</u>		<u>2,940,445</u>
<b>Funds</b>					
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 29<sup>th</sup> 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 £
<b>Cash (from)/used in operating activities (Note a)</b>	(4,127)	93,500
<b>Cash flows from investing activities</b>		
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)
<b>Cash used in investing activities</b>	<u>(82,549)</u>	<u>(37,195)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(68,977)	(71,179)
Payment of mortgage	<u>(1,679)</u>	<u>(4,896)</u>
<b>Cash used in financing activities</b>	<u>(70,656)</u>	<u>(76,075)</u>
<b>Net cash outflow</b>	(157,332)	(19,770)
Cash and cash equivalents at 1 <sup>st</sup> January 2020	<u>368,716</u>	<u>388,486</u>
<b>Cash and cash equivalents at 31<sup>st</sup> December 2020 (Note b)</b>	<u>211,384</u>	<u>368,716</u>
<b>a) Cash (from)/used in operating activities</b>		
<b>Net (expenditure)/income</b>	(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>
<b>Cash (from)/used in operating activities</b>	<u>(4,127)</u>	<u>93,500</u>
<b>b) Cash and cash equivalents</b>		
At 31 <sup>st</sup> 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

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**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)

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**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**

	<b>2020</b>	<b>2019</b>
<i>Arising from investment assets held in the UK</i>	<b>£</b>	<b>£</b>
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**

	<b>Charitable activities</b>	<b>Raising funds</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
<b>Establishment expenses</b>				
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>
<b>Housekeeping expenses</b>				
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>
<b>Overhead expenses</b>				
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>
<b>Total expenditure</b>	<u>498,670</u>	<u>10,432</u>	<u>509,102</u>	<u>627,459</u>

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 £
<b>Cost:</b>			
At 1 <sup>st</sup> January 2020	511,660	1,084,429	1,596,089
Additions	-	-	-
At 31 <sup>st</sup> December 2020	<u>511,660</u>	<u>1,084,429</u>	<u>1,596,089</u>
<b>Depreciation:</b>			
At 1 <sup>st</sup> January 2020	-	278,591	278,591
Charge for the year	-	<u>43,377</u>	<u>43,377</u>
At 31 <sup>st</sup> December 2020	-	<u>321,968</u>	<u>321,968</u>
<b>Net book value:</b>			
At 31 <sup>st</sup> December 2020	<u>511,660</u>	<u>762,461</u>	<u>1,274,121</u>
At 31 <sup>st</sup> 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 £
<b>At market value:</b>			
At 1 <sup>st</sup> 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 <sup>st</sup> December 2020	<u>2,355,000</u>	<u>441,582</u>	<u>2,796,582</u>
<b>At cost:</b>			
At 1 <sup>st</sup> 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 <sup>st</sup> 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 4<sup>th</sup> 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.



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

<b>6 STOCKS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Provisions	645	1,611
House sundries	1,827	1,579
Stationery	219	393
	<u>2,691</u>	<u>3,583</u>
<b>7 DEBTORS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Due from guests	358	206
Other debtors	757	2,729
Prepayments	<u>26,094</u>	<u>25,727</u>
	<u>27,209</u>	<u>28,662</u>
<b>8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	32,709	35,343
Other taxes and social security	62,847	18,337
Accruals and deferred income	<u>33,936</u>	<u>75,900</u>
	<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 30<sup>th</sup> November 2021 and the other at a variable rate of 0.75% below the Society's commercial standard variable rate (currently 4.74%) until 31<sup>st</sup> 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.

	<b>£</b>
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>
	<b>£</b>
Loans amount due within one year	-
Loans amount due after one year	<u>1,298,900</u>
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)  
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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		<u>441,582</u>	<u>352,686</u>	
			<u>652,384</u>	<u>723,796</u>	
	Carrying amount of financial liabilities				
	Measured at amortised cost		<u>1,411,666</u>	<u>1,411,822</u>	
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	<u>47,519</u>	-	-	<u>47,519</u>
	Net movements in funds	( 15,170)	-	( 43,377)	( 58,547)
	Fund balances brought forward	<u>2,069,607</u>	<u>20,000</u>	<u>805,838</u>	<u>2,940,445</u>
	Fund balances carried forward	<u>2,054,437</u>	<u>20,000</u>	<u>762,461</u>	<u>2,881,898</u>
	2019	Unrestricted Funds	Designated Funds		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	<u>( 52,670)</u>	-	<u>52,670</u>	-
	Net movements in funds	120,624	-	10,083	130,707
	Fund balances brought forward	<u>1,948,983</u>	<u>20,000</u>	<u>795,755</u>	<u>2,809,738</u>
	Fund balances carried forward	<u>2,069,607</u>	<u>20,000</u>	<u>805,838</u>	<u>2,940,445</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.

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

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12 <b>STAFF COSTS</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
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**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
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)

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**16 FINANCIAL COMMITMENTS**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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 31<sup>st</sup> December 2020 the charity had contracted with tenants for the following lease payments:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
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).