

**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**

<b>Contents</b>	<b>Page</b>
Trustees' Report	1-5
Report of the Independent Auditor's	6-8
Statement of Financial Activities	9
Balance Sheet	10
Statement of Cash Flows	11-12
Notes to the Financial Statements	13-20

## 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 20<sup>th</sup> April 2022)  
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 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 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 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 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 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: 8<sup>th</sup> 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 31<sup>ST</sup> DECEMBER 2021**

---

#### **Opinion**

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

12<sup>th</sup> 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	£	£
<b>Income from:</b>			
<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
<b>Total income</b>		<u>260,326</u>	<u>403,036</u>
<b>Expenditure on:</b>			
<i>Raising funds</i>		6,750	10,432
<i>Charitable activities</i>		398,062	498,670
<b>Total expenditure</b>	3	<u>404,812</u>	<u>509,102</u>
<b>Net expenditure before net gains on investments</b>		(144,486)	(106,066)
Net gains on investments	5	<u>54,725</u>	<u>47,519</u>
<b>Net movement in funds</b>		( 89,761)	( 58,547)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>2,881,898</u>	<u>2,940,445</u>
<b>Total funds carried forward</b>	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	£	£	£	£
<b>Fixed assets</b>					
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
<b>Current assets</b>					
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	
<b>Creditors:</b> amounts falling due within one year	8	<u>200,332</u>		<u>129,492</u>	
<b>Net current (liabilities)/assets</b>			<u>(71,381)</u>		<u>110,095</u>
<b>Total assets less current liabilities</b>			4,006,272		4,180,798
<b>Creditors:</b> amounts falling due after one year	9		<u>(1,214,135)</u>		<u>(1,298,900)</u>
<b>Net assets</b>			<u>2,792,137</u>		<u>2,881,898</u>
<b>Funds</b>					
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  
8<sup>th</sup> 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 £
<b>Cash from/(used in) operating activities (Note a)</b>	(63,455)	(4,127)
<b>Cash flows from investing activities</b>		
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	-	-
<b>Cash provided by/(used in) investing activities</b>	<u>15,197</u>	<u>(82,549)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(67,404)	(68,977)
Payment of mortgage	( 694)	( 1,679)
<b>Cash (used in) financing activities</b>	<u>(68,098)</u>	<u>(70,656)</u>
<b>Net cash (outflow)</b>	(116,356)	(157,332)
Cash and cash equivalents at 1 <sup>st</sup> January 2021	<u>211,384</u>	<u>368,716</u>
<b>Cash and cash equivalents at 31<sup>st</sup> December 2021 (Note b)</b>	<u>95,028</u>	<u>211,384</u>
<b>a) Cash from/(used) in operating activities</b>		
<b>Net movement in funds</b>	(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)
<b>Cash from/(used in) operating activities</b>	<u>(63,455)</u>	<u>(4,127)</u>
<b>b) Cash and cash equivalents</b>		
At 31 <sup>st</sup> 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**

	<b>At 1 January 2021 £</b>	<b>Cash flows £</b>	<b>Non-cash changes £</b>	<b>At 31 December 2021 £</b>
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**

	<b>2021</b>	<b>2020</b>
<i>Arising from investment assets held in the UK</i>	<b>£</b>	<b>£</b>
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**

	<b>Charitable activities</b>	<b>Raising funds</b>	<b>2021 Total</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Establishment expenses</b>				
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>
<b>Housekeeping expenses</b>				
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>
<b>Overhead expenses</b>				
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>
<b>Total expenditure</b>	<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 £
<b>Cost:</b>			
At 1 <sup>st</sup> January 2021	511,660	1,084,429	1,596,089
Additions	-	-	-
At 31 <sup>st</sup> December 2021	<u>511,660</u>	<u>1,084,429</u>	<u>1,596,089</u>
<b>Depreciation:</b>			
At 1 <sup>st</sup> January 2021	-	321,968	321,968
Charge for the year	-	<u>43,377</u>	<u>43,377</u>
At 31 <sup>st</sup> December 2021	-	<u>365,345</u>	<u>365,345</u>
<b>Net book value:</b>			
At 31 <sup>st</sup> December 2021	<u>511,660</u>	<u>719,084</u>	<u>1,230,744</u>
At 31 <sup>st</sup> 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 £
<b>At market value:</b>			
At 1 <sup>st</sup> 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 <sup>st</sup> December 2021	<u>2,355,000</u>	<u>491,909</u>	<u>2,846,909</u>
<b>At cost:</b>			
At 1 <sup>st</sup> 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 <sup>st</sup> 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 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.

**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)

<b>6 STOCKS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Provisions	651	645
House sundries	1,405	1,827
Stationery	-	219
	<u>2,056</u>	<u>2,691</u>
<b>7 DEBTORS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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>
<b>8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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 30<sup>th</sup> November 2021. This has subsequently been reset to 3.99% from 1<sup>st</sup> December 2021. The other at a variable rate of 0.75% below the Society's commercial standard variable rate (currently 5.09%) 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 £3,585,744.

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.

	<b>£</b>
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>
	<b>£</b>
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		<u>491,909</u>	<u>441,582</u>
			<u>587,936</u>	<u>652,384</u>
	Carrying amount of financial liabilities			
	Measured at amortised cost		<u>1,411,472</u>	<u>1,411,666</u>
11	FUNDS	Unrestricted Funds	Designated Funds	
			Bursary Fund	Improvement Refurbish-
				ment reserve
2021			of premises	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	<u>54,725</u>	-	-	<u>54,725</u>
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>
Fund balances carried forward	<u>2,008,053</u>	<u>20,000</u>	<u>719,084</u>	<u>45,000</u>
		Unrestricted Funds	Designated Funds	
			Bursary Fund	Improvement Refurbish-
				ment reserve
2020			of premises	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>45,000</u>
Fund balances carried forward	<u>2,054,437</u>	<u>20,000</u>	<u>762,461</u>	<u>45,000</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.

**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>
------------------------	---------------	---------------

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 31<sup>st</sup> 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).