

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

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2022

Company number: 05422555
Charity number: 1113000

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ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2022

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THE HIGHBURY CENTRE

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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2022

The trustees present their report and the financial statements for the charity for the year ended 31st December 2022 which have been prepared in accordance with accounting policies set out in Note 1 to the financial statements and comply with the Charity's Articles of Association, the Companies Act 2006 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (effective 1 January 2019).

Reference and administrative information

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

Trustees:

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

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

Key Management Personnel:

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

Company Secretary Mr C M Thompson

Manager Mrs A Clarke

Our advisers:

Bankers Barclays Bank plc
PO Box 3474
London NW1 7NQ

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

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

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

THE Highbury Centre

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

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

Structure, Governance and Management

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

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

Appointment and induction of trustees

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

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

Risk Management

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

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

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

Organisational policy

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

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

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

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

Objectives and activities

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

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

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

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

Achievements and performance

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

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

Financial review

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

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

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

Reserves Policy

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

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

Investment policy

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

Plans for the future

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

Statement of trustees' responsibilities

The trustees (who are the directors of The Highbury Centre for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of affairs of the company and of its incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

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

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware;
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

20-26 Aberdeen Park
Highbury
London
N5 2BJ

ON BEHALF OF THE TRUSTEES

Mr H L M Du Plessis
Trustee

Date: 18th September 2023

THE Highbury Centre

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

(Charity number 1113000, Company number 5422555)

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

THE Highbury Centre

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Audit response to risks identified

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

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

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

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

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

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

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

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

Chartered Certified Accountants
Statutory Auditor

20th September 2023

Chantry House
22 Upperton Road
Eastbourne
East Sussex BN21 1BF

THE Highbury Centre (A company limited by guarantee and not having a share capital)
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STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31ST DECEMBER 2022

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

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

THE Highbury Centre (A company limited by guarantee and not having a share capital)
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BALANCE SHEET
AS AT 31ST DECEMBER 2022

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

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

Mr H L M Du Plessis
Trustee

THE Highbury Centre (A company limited by guarantee and not having a share capital)
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022

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

THE Highbury Centre (A company limited by guarantee and not having a share capital)
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

c) Analysis of changes in net debt

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

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

1 ACCOUNTING POLICIES

Company information

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

Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)'. The charity is a Public Benefit Entity as defined by FRS 102.

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

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

Going concern

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

Tangible fixed assets

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

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

Fixed asset investments

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

Stocks

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

Debtors

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

Cash at bank and in hand

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

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

1 ACCOUNTING POLICIES (continued)

Creditors and provisions

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

Financial instruments

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

Income recognition

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

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

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

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

Expenditure

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

Funds structure

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

Pension scheme

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

Operating lease rentals

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

Taxation

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

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

1 ACCOUNTING POLICIES (continued)

Critical accounting estimates and judgements

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

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

2 INVESTMENT INCOME

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

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

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

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

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

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

4 TANGIBLE FIXED ASSETS
Held for charity use

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

5 FIXED ASSET INVESTMENTS

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

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

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

THE Highbury Centre (A company limited by guarantee and not having a share capital)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

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

Deferred income is included within the financial statements as follows:

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

9 LOANS

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

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

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

THE Highbury Centre (A company limited by guarantee and not having a share capital)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

9 LOANS (continued)

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

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

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

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

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

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

11 FUNDS (continued)

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

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

12 STAFF COSTS

	2022	2021
	£	£
Gross salaries	209,755	165,936
Social security costs	10,609	5,982
Pension costs	<u>8,303</u>	<u>6,860</u>
	<u>228,667</u>	<u>178,778</u>
Average monthly number of employees:	<u>12</u>	<u>10</u>

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

Remuneration of key management personnel

Aggregate remuneration	<u>33,934</u>	<u>32,857</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 £8,303 for the year (2021: £6,860).

14 TRUSTEES

Remuneration and reimbursement of trustees' expenses

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

THE Highbury Centre (A company limited by guarantee and not having a share capital)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (continued)

15 AUDITOR'S REMUNERATION

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

16 FINANCIAL COMMITMENTS

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

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

17 COMPANY STATUS

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

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

18 RELATED PARTY TRANSACTIONS

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

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