

CHARITY REGISTRATION NUMBER : 1137094

**HIGHBURY QUADRANT CONGREGATIONAL CHURCH
REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2021**

**HIGHBURY QUADRANT CONGREGATIONAL CHURCH
YEAR ENDED 31 DECEMBER 2021
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HIGHBURY QUADRANT CONGREGATIONAL CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION YEAR ENDED 31 DECEMBER 2021

1.1 Charity Name

Congregational Chapel and Lecture Hall, Known locally as Highbury Quadrant Congregational Church.

Charity Registered Number

1137094

Principal address

Highbury Quadrant Congregational Church
Highbury Quadrant
London
N5 2TE

Trustees

Revd. Shahnawaz Javed	Minister
Deacon J O'Donovan	Treasurer
Miss Joyce Price	Secretary
Mrs M McGuire	

Independent Examiner

M. Said & Co.
Chartered Certified Accountants
137 Blackstock Road
London
N4 2JW

Banker

HSBC
312 Seven Sisters Road
London N4 2AW

**HIGHBURY QUADRANT CONGREGATIONAL CHURCH
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2021**

The Church Leadership submits its annual report together with the independently examined financial statements of the Church for the period ended 31 December 2021.

The trustees confirm that the financial statements of the Charity comply with the current statutory requirements of Charity's governing document and the recommendation of the "FRS102 SORP" effective from January 2016 and in accordance with the Charities Act 2011.

1.1 Charity Name

Congregational Chapel and Lecture Hall, Known locally as Highbury Quadrant Congregational Church.
The Church was established in 1878.

1.2 Affiliations

The Church is a member of the Evangelical Fellowship of Congregational Churches (www.efcc.karoo.net), the Congregational Federation (www.congreagational.org.uk) and the Evangelical Alliance (www.eauk.org).

STRUCTURE, GOVERNANCE AND MANAGEMENT

2.1 The Governing Documents

The Church's governing documents are as follows:

- * Charity Commission Scheme of 4 July 1983, governing the Church's Constitution and property at Highbury Quadrant Congregational Church, Highbury Quadrant, London N5 2TE.

The Scheme stipulates that the property is to be held on trust in accordance with the provision of clauses 3-17 of the activities of the Little Longstone Congregational Scheme Confirmation Act 1920.

- * The Manse Trust Deed dated 1993, governing the use of the Church manse in connection with activities of the Church.

- * Approved Governing Document by the Congregational Model Trust Deed dated 13th day of June 2009

2.2 Trustees

The Church has two classes of trustees as follows:

2.2.1 Managing Trustees

The Managing Trustees of the Church are responsible for the day to day management of the Church's business in accordance with Church's Objects.

The Managing Trustees are the members of the Church Leadership elected by the Church members' meeting.

The Church Leadership are the deacons and minister along with members who are elected by the Church Meeting as Trustees.

- *The Deacons serve a term of three years. All are eligible for re-election.

- * The Church Secretary and Treasurer are each appointed annually.

The Church Leadership meets at least 10 times per annum to discuss a full range of matters relating to finance, fabric, general administration and responsibility of keeping of the Church membership roll.

One of the Church's officers, the Minister, received remuneration during the year, see note 10 for further details.

The Induction process for the Church member newly-appointed to the Church leadership comprises as initial meeting with the Minister and receipt of copies of:

- * the most recent financial statement

- * the Charity Commission's guidance 'The essential Trustee'.

2.2.2 Holding Trustee

The holding trustee is responsible for holding the Church's land and buildings on trust for the benefit of the Church and ensuring that the use of the land and buildings is as envisaged by the Approved Governing Document and Trust Deed. The holding trustee is the Congregational Federation Limited of 4 Castle Gate Nottingham NG1 7AS (Registered Charity No: 267469) and is appointed by the Members without fixed term and can be removed by the Members.

**HIGHBURY QUADRANT CONGREGATIONAL CHURCH
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2021**

2.3 Church Members

Church Membership is open to those who:

- * accept the beliefs of the Church;
- * commit themselves to serving Christ within the Church and beyond;
- * acknowledge their responsibilities as Church Members;

Church Members share in the responsibility for the finances, administration, maintenance and activities of the church and elect the Church Leadership. Church Trustees met 4 times during the year to discuss reports from church leadership and to discuss church and shop matters.

2.4 Church Adherents

Church Adherents are all those who attend Sunday Worship, Study or Discipleship meetings or Open Evenings. They are considered part of the Church Family and may be invited to attend and speak at Church meetings but are not eligible to vote on matters at Church Meetings.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed to ensure appropriate controls are in place to provide reasonable assurance against fraud and terror.

The Church's primary concern and objective is the Glory of God. Whilst it is the Church's policy to trust wholly in the Lord that He will work out His Purpose to this end, the Church also acknowledges that it has a responsibility, both as individual members and as a body of the members, for the identification and proper management of risks faced by the Church in achieving its primary aim. The Church Leadership is constantly assessing the major risks to which the Church is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances, and is currently seeking to establish effective systems and procedures to mitigate those risks.

OBJECTIVES AND ACTIVITIES

Objectives and aims

3.1 Objective

In accordance with the Trust Deed, "The Trustees shall permit the buildings belonging to the Charity to be used, occupied and enjoyed as a place for the public worship of God and for preaching the Gospel of the Lord Jesus Christ according to the principles and usages for the time being of Protestants of the Congregational Denomination commonly called independents, being Paedo-Baptist, as well as Believer Baptist and for the instruction of the children and adults and for the promotion of such other charitable purposes whether religious or philanthropic in in connection therewith as the Church shall from time to time direct."

Significant activities

3.2 Activities

Despite the lock down under government guidelines we were able to continue the following activities while observing social distancing :

"Sunday Morning Worship (including monthly Communion service) for all ages

"Occasional Sunday Evening Worship & Praise Service for all ages

"Pastoral work carried out by the minister and other members

"Monday discipleship Group for adults

"Friday Prayer & Bible study, including fellowship meal

"Singing Group

"Employment & oversight of staff at the "Second Chance" Charity Shop, 161 Blackstock Road N4 2JS
The shop was re opened to the public on 12th April 2021 following relaxation of government restrictions.
for community services, Pastoral/Counselling opportunities and fund raising to support Church and other charities.

"Management as landlord of the Former Manse 27 Birchmore Walk N5 2TJ

ACHIEVEMENT AND PERFORMANCE

4. Achievements and Performance

As a Church we give thanks to God that He has been good to us and continued to shower His blessings. We pray and trust in God that He will enable us to be good stewards of the gifts and resources entrusted to us through the body of people who are the church family and the wider community.

As a Church we have continued to see a number of individuals committing to regular worship and study groups.

The church has currently 17 active members and 15 adherents

(2020 : 17 members and 20 adherents) with 3 children (2020: 3 children).

This keeps us steady and we hope and pray that our membership will grow in the knowledge and grace of the Lord Jesus Christ. We also long to see people in our local community coming to know the Lord Jesus Christ as their personal Saviour, and joining with us in our activities, and this is our constant prayer.

We have Singing Group which leads the service on Sunday morning, thanks to Mariam McGuire and Veronica Browne.

We are a small Church in terms of membership and are currently dependent, in financial terms, on profit from the Second Chance Charity Shop and also the rental income from church manse and from private parking.

5. FINANCIAL REVIEW

5.1 Financial activity and Financial Position

The Statement of Financial Activities and Balance Sheet can be found on pages 8 and 9 respectively.

The balance sheet shows total Net Assets of £ 158,418 (2020 : £166,882).

The decrease in Net Assets was due to a deficit of £8,463 in this years results

In the year 2020 Incoming resources exceeded expenditure by £88,566 due to a receipt of insurance payment.

5.2 Reserves Policy

The Church Leadership has examined the requirements for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets. The Church Leadership considers that, given the nature of the Church's work, free reserves should be equivalent to approximately 12 months' routine general fund charitable expenditure, plus committed future expenditure on other projects around £20,000, where funds permit. The Church Leadership is of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources and will allow the Church to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

**HIGHBURY QUADRANT CONGREGATIONAL CHURCH
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2021**

At 31 December 2021 the Church had net free reserves of £158,418 (2020:£166,882) as follows:

	2021	2020
	£	£
Total Reserves	158,418	166,882
Less: restricted fund	-	-
Less: fixed assets used for the continuing work of the Church	(39,996)	(41,223)
Unrestricted Reserves	118,422	125,659

5.3 Property Review

In the year to 31/12/2020 the sum of £103,060 was received from insurance company representing final settlement of the claim in connection with the fire.

Planning permission is expected to be given to start the development of 40 residential flats and a new church.

When permission is received the developer is expected to pay the sum of two million Pounds (£2 million) as well as building a smaller church.

5.4 Investment Policy

The Church currently invest its funds in short term cash deposits on the basis that free reserves may be required at short notice.

5.5 Grants Policy

The Church makes grants to support missionary and other philanthropic endeavours both in the UK and abroad. The Church is seeking to move towards a policy in which grants will be given on the basis that they are subject to annual review and only renewed on the basis of meeting set criteria. The intention is that amounts equivalent to approximately 10% of the surplus will be donated as gifts to other charities.

6. Plans for future Periods

As mentioned in point 5.3 above, the Charity expects to receive £2 million when planning permission is approved. The charity will also receive a new building when development has been completed.

It is expected that the church buildings to be handed over to developers on 1st December 2022 arrangements are being made to find a temporary venue to conduct church activities and to accommodate the minister.

7. Responsibilities of Trustees for the Financial Statements

The Church Leadership is responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Practice. Charity law requires the Church Leadership to prepare financial statements for each financial year which give true and fair view of the state of affairs of the charity and of its financial activities for that period.

In preparing those financial statements, the Church Leadership is required to:

* keep proper accounting records which show at any time with reasonable accuracy the financial position of the charity and enables them to ensure that the financial statements comply with the Charities Act 1993. The Church Leadership is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 25 OCT 2022 and signed on its behalf by:

Rev. Shahnawaz Javed - Minister - Trustee



HIGHBURY QUADRANT CONGREGATIONAL CHURCH

INDEPENDENT EXAMINER'S REPORT YEAR ENDED 31 DECEMBER 2021

Report the Trustees of Highbury Quadrant Congregational Church on the accounts for the year ended 31 December 2021 set out on pages 7 to 13

Respective responsibilities of trustees and examiner

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

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the Act.

Independent Examiner's statement

I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants .

I have completed my examination . I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the of the Charities Act; or
- the accounts did not accord with the the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulation 2008 other than any requirement to give a "true and fair" view which is not a matter considered as part of an independent examination.

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

Signed :

Mahmud Said FCCA
M. Said & Co
Chartered Certified Accountants
137 Blackstock Road
Finsbury Park
N4 2JW London

Dated: 25-10-2022

HIGHBURY QUADRANT CONGREGATIONAL CHURCH
STATEMENT OF FINANCIAL ACTIVITIES

DRAFT ONLY

YEAR ENDED 31 DECEMBER 2021

				2021	2020
	Notes	Unrestricted fund £	Restricted fund £	Total funds £	Total funds £
INCOMING RESOURCES					
Voluntary income	2	2,661		2,661	5,195
Government Grants	2	7,951		7,951	7,513
Activities for generating funds	3	102,276		102,276	91,766
Interest received		6		6	6
Other income	4	0		0	103,060
Total Incoming resources		112,894	-	112,894	207,540
RESOURCES EXPENDED					
Cost of generating funds	5	60,484		60,484	56,419
Cost of charitable activities	6&7	60,874		60,874	62,556
Total resources expended		121,358	-	121,358	118,975
NET INCOMING RESOURCES		(8,464)	-	(8,464)	88,565
RECONCILIATION OF FUNDS					
Total fund brought forward		166,882		166,882	78,317
TOTAL FUNDS CARRIED FORWARD		158,418	-	158,418	166,882

The notes on pages 9 to 13 form part of these financial statements.

HIGHBURY QUADRANT CONGREGATIONAL CHURCH

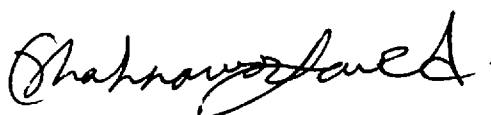
BALANCE SHEET AS AT 31 DECEMBER 2021

DRAFT ONLY

			2021	2020
	Notes	Unrestricted fund £	Restricted fund £	Total funds £
FIXED ASSETS				
Tangible assets	13	39,996		41,223
CURRENT ASSETS				
Debtors	14	245		0
Cash at bank and in hand	15	123,005		134,594
		123,250		134,594
CREDITORS				
Amounts falling due within one year	16	4,828		8,935
NET CURRENT ASSETS		118,422		125,659
TOTAL ASSETS LESS CURRENT LIABILITIES		158,418		166,882
CREDITORS				
Amounts falling due after more than one year		-		-
NET ASSETS		158,418		166,882
FUNDS				
Restricted funds:		-		-
Unrestricted funds:	17	158,418		78,317
TOTAL FUNDS		158,418		78,317

The financial statements were approved by the Board of Trustees on 25/10/2022 and were signed on its behalf by:

Rev. S Javed - Minister - Trustee



The notes on pages 9 to 13 form part of these financial statements.

HIGHBURY QUADRANT CONGREGATIONAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard SORP FRS102 (effective January 2016), the Charities Act 2011 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

Donations and income from the recovery of tax on gift aided donations are accounted for in the period which they are received. Legacies are accounted for when their receipt is certain and can be properly quantified. Investment income and other income is recognised in the period to which it relates.

Resources expended

Expenditure is accounted for on an accruals basis (and includes attributable VAT which can not be recovered) and has been included under expense categories that aggregate all costs for allocation to activities. Where costs can not be directly attributed to particular activities they have been allocated on a basis consistent with the use of these resources.

Charitable expenditure comprise expenditure on the Charity's primary objectives and in the delivery of activities and services for its beneficiaries. They include grants made to other organisations whose charitable objects compliment the work of the church. Eighty percent of this was allocated as direct costs and twenty percent as support costs. Governance costs are the costs associated with the governance arrangement and with the administration of the charity and in compliance with constitutional and statutory requirement. It includes the cost of the annual independent examination, and other expenditure on compliance with constitutional and statutory requirements.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings	12% p.a. on the reducing balance method
Improvement	2% p.a. on the straight line method

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted Funds comprise those funds which the Church Leadership are free to use in accordance with the charitable objects.

Restricted fund are those funds which have been received for particular purposes where the Church Leadership must respect the wishes of donors. Apart from the women's Fellowship, the restricted funds all relate to amounts given for specific causes, normally in the context normally in the context of donations made by customers of the Second Chance Charity Shop.

Pension costs and other post-retirement benefits

The Charity operates a work place pension scheme for all staff.

2. VOLUNTARY INCOME

	2021	2020
	£	£
Offering and donations	2,661	5,195

GOVERNMENT GRANTS :

JRS Grants received	7,951	7,513
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HIGHBURY QUADRANT CONGREGATIONAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 DECEMBER 2021

3. ACTIVITIES FOR GENERATING FUNDS

	2021	2020
	£	£
Sales of donated goods (Second Chance charity shop)	66,136	57,866
Letting Income - Manse	32,596	33,900
Match day and private parking	3,544	-
	<u>102,276</u>	<u>91,766</u>

4. OTHER INCOME

	£	£
Insurance and other claims	-	103,060
	<u>-</u>	<u>103,060</u>

5. COSTS OF GENERATING FUNDS

	£	£
Staff costs	36,533	32,974
Maintenance	159	601
Insurance	526	506
Telephone	404	494
Cleaning and refuse collection	35	861
Staff welfare	321	246
Rent	14,233	14,000
Rates and water	1,312	472
Light and heating	1,141	1,288
Licenses and subscriptions	312	216
Payroll processing costs	1,084	878
Printing and stationery	151	59
Bank and Credit card charges	1,664	1,134
Shop consumables	210	188
Volunteer expenses	1,095	1,245
Sundry expenses	78	0
Depreciation	1,226	1,257
	<u>60,484</u>	<u>56,419</u>

6. CHARITABLE ACTIVITIES COSTS

	2021	2020
	£	£
Church Life & Outreach	507	947
Office & Administration costs	647	661
Provision for Minister	29,854	31,270
Church Building Costs	19,915	21,168
Gifts to organisations (See note 8)	1,520	1,670
Insurance Rates and Maintenance -Manse	4,862	3,240
Legal fees	0	300
Accountancy and Independent examination	3,569	3,300
	<u>60,874</u>	<u>62,556</u>

HIGHBURY QUADRANT CONGREGATIONAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED Year Ended 31 December 2021

7. CHARITABLE ACTIVITIES COSTS

			2021	2020
	Direct costs	Support costs	Total	Total
	£	£	£	£
Church Life & Outreach	406	101	507	947
Office & Administration costs	517	129	647	661
Provision for Minister	23,884	5,971	29,854	31,270
Church Building Costs	15,932	3,983	19,915	21,168
Gifts to Individuals and organisations	1,216	304	1,520	1,670
Insurance Rates and Maintenance -Manse	3,889	972	4,862	3,240
Legal fees	0	0	0	300
Accountancy and Independent examination	2,855	714	3,569	3,300
	48,699	12,175	60,874	62,556

8: GIFTS TO ORGANISATIONS

		2021	2020
		£	£
The Congregation Federation		200	200
Open Doors		120	120
Evangelical Fellowship		100	100
UNHCR		100	
Miscellaneous donations £50 each	20 donations	1,000	1,250
		1,520	1,670

No donations made to individuals during the year.

9: GOVERNANCE COSTS:

	£	£
Accountancy and Independent examination fees	3,569	3,300

HIGHBURY QUADRANT CONGREGATIONAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 DECEMBER 2021

10. TRUSTEES' REMUNERATION AND BENEFITS

	2021	2020
	£	£
Provision for Minister		
Minister's Gross salary	27,406	27,156
Employer National Insurance	34	678
Work place pension	822	815
Council Tax and Water	376	1,550
Flat Heating and Lighting	1,218	1,072
	<u>29,854</u>	<u>31,270</u>
Trustees' expenses		
Trustee's expenses	<u>231</u>	<u>651</u>

11. STAFF COSTS

	2021	2020
	£	£
Wages & Salaries	35,972	33,063
Social security costs	19	400
Work place pension	594	588
	<u>36,586</u>	<u>34,052</u>

Rev. Shah Nawaz Javed received a gross remuneration of £27,406 (2020 : £27,156) in his capacity as a minister and in accordance with the terms of employment, where he is required to live in , rent free accommodation provided by the Church.

Joan O'Donovan, a Managing Trustee, received gross remuneration of £Nil during the period in her employed capacity as the Church's charity shop manageress.

The average number of employees during the period was 6 (2020: 6). No employee received Emoluments in excess of £60,000 during the year.

No trustee received any benefits in kind during the period .(YE 31.12.2020 £Nil)

No trustee received any reimbursement of expenses during the period .(YE 31.12.2020 £Nil)

12. CHURCH PROPERTIES

The value of the church and flat complex is £2,604,000 and Manse at 27 Birchmore walk is £350,000

13. TANGIBLE FIXED ASSETS

Fixtures and fittings	Fixtures & Fittings £	Improvement £	Total £
Costs			
Cost at 01.01.2021	22,194	39,335	61,529
Additions during the year	-	-	-
Cost at 31.12.2021	<u>22,194</u>	<u>39,335</u>	<u>61,529</u>
Depreciation			
at 01.01.2021	18,531	1,775	20,306
Charge for the year	440	787	1,227
at 31.12.2021	<u>18,971</u>	<u>2,562</u>	<u>21,533</u>
NET BOOK VALUE			
at 31.12.2021	<u>3,224</u>	<u>36,772</u>	<u>39,996</u>
at 31.12.2020	<u>3,663</u>	<u>37,560</u>	<u>41,223</u>

HIGHBURY QUADRANT CONGREGATIONAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 DECEMBER 2021

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other Debtors and Prepayments	245	0
	<u>245</u>	<u>0</u>

	2021	2020
	£	£
15: Bank and Cash Balance	123,005	134,594

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Rent deposit	745	745
Loans	0	2,613
Other creditors and accruals	4,083	5,577
	<u>4,828</u>	<u>8,935</u>

17. MOVEMENT IN FUNDS

	At 01.01.2021	Net movement	Net movement
	£	£	£

Unrestricted funds	166,882	(8,464)	158,418
TOTAL FUNDS	<u>166,882</u>	<u>(8,464)</u>	<u>158,418</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds	112,894	121,358	(8,464)
TOTAL FUNDS	<u>112,894</u>	<u>121,358</u>	<u>(8,464)</u>

18. OTHER FINANCIAL COMMITMENTS

The church had the following annual commitments under operating leases as follows

	2021	2020
	£	£
Expiring within one year	<u>-</u>	<u>-</u>