

Avenue House Estate Trust
(A charitable company limited by guarantee)

Group Annual Report and Accounts

For the Year ended 31 March 2013

Charity number: 1093908
Company number: 04099007

Contents

	Pages
Report of the Board of Directors and Trustees	1-10
Independent Auditors' Report	11-12
Statement of Financial Activities	13
Balance Sheets	14
Notes to the Accounts	15-23

Report of the Board of Directors and Trustees

The Trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st March 2013

Reference and Administrative Information

<u>Charity Number:</u>	1093908
<u>Company Number:</u>	04099007
<u>Registered Office and Operational Address:</u>	Avenue House 17 East End Road Finchley London N3 3QE
<u>Patron</u>	Henry Edmunds
<u>President</u>	Michael Gerson
<u>Vice-Presidents</u>	Janett Durrant Martyn Gerrard

Directors and Trustees

All Directors are members of the Company. The Company is a charity and its directors are the trustees of the charity. The Trustees serving during the year and since the year end were as follows:

Andrew Savage, Chair
Diane Brunt
Mike Conradi (co-opted 9 October 2012, elected 19 November 2012)
Janett Durrant (resigned 17 April 2012)
Sasha Frieze (co-opted 15 April 2013)
Mel Hooper, Secretary
Christine Kavanagh (resigned February 2013)
John Lancaster
George Nosworthy
Julian Trevelyan (co-opted 15 April 2013)
Bill Tyler

Audit and Accountancy Services Auditors

HW Fisher & Company, Chartered Accountants, Acre House, 11-15 William Road, London NW1 3ER

Banking Services

CCLA Investment Management Limited, COIF Charity Funds, 80 Cheapside, London EC2V 6DZ
HSBC Bank plc, 18 Ballards Lane, Church End, London, N3 2BH

Legal Services

Cree, Godfrey and Wood, 28 High Road, East Finchley, London N2 9PJ

FirstAssist Services Limited, Wheatfield Way, Hinckley, Leicester, LE10 1YG

Structure, Governance and Management

Governing Document

Avenue House Estate Trust (AHET) is a company limited by guarantee, registered with Companies House in England and Wales in October 2000, and governed by its Memorandum and Articles of Association last amended in November 2011. It is also a charity registered with the Charity Commission for England and Wales in September 2002. In the event of winding up the members (48, including the trustees, at 31 March 2013) are each required to contribute a sum not exceeding one pound.

Recruitment and Appointment of Trustees

Trustees are appointed in accordance with the Articles of Association and when complete the board consists of at least three and not more than nine individuals. Seven persons are elected by the members at the AGM and trustees have the power to co-opt to these places if they are or become vacant. Two places are reserved for co-option by the trustees with one of these two Trustees nominated by the Friends of Avenue House.

The members of the Board represent a wide range of interests and skills but, in order to ensure a suitable range of expertise is available, the Board has adopted the following policies:

- to review from time to time the skills within the Board and the skills it needs
- to actively recruit for those skills it needs, including open recruitment processes if necessary.

Induction and Training of Trustees

The Board has adopted the following policies:

- all new trustees have an induction process, normally by discussion with the Chair
- all trustees are offered, and encouraged to take up, opportunities for personal development in skills relevant to their trustee duties.

In addition there is usually an item relating to governance standards on each Board agenda.

Organisation

The Board meets at least four times each year and focuses on strategic and novel matters. The Board safeguards the values, promotes the mission and determines the strategy and broad structure of the charity. It also monitors performance to ensure that the charity operates effectively, efficiently and

accountably. During the year 2012-2013 the charity was managed by a General Manager. Lance Bourne occupied this position until the end of July 2012, when he chose not to renew his one-year contract. We were fortunate to be able to recruit Malcolm Godfrey who took up the post in August 2012. The General Manager controls all routine matters, including all the staff and assets, and is answerable in this role to the Board.

Related Parties and other charities with which Avenue House Estate Trust co-operates

Avenue House Services Limited (AHSL) is a wholly owned subsidiary operating as the trading arm of the charity and established to service the non-charitable trading activities on the estate. The directors are John Lancaster and Mel Hooper. AHSL has a licence to operate from the charity's premises and pays the majority of its profits to the charity by gift aid. Janett Durrant was also a director of this company until her resignation on 17 April 2012.

Avenue House Estate Trust co-operates regularly with other charities. The Stephens Museum, the Finchley Society and The Hendon and District Archaeological Society all use part of the premises and the Trust deliver education to parties of school children visiting the Estate. We also signed an agreement with Terapia for them to lease the Bothy.

The Trust has always sought to have charities as a high percentage of its tenant base. During this financial year we were delighted to welcome Grief Encounter as tenants, joining Barnet Homestart.

The Trust also encourages other charities to use Avenue House for their events and to join in the markets and other events that it, and the Friends of Avenue House, organise.

Risk Management

The Trustees have produced a policy on the management of risk and considered the major risks to which the charity is subject, along with the appropriate steps to manage them. The identified risks include: board development and strategy, client and tenant dependency, public health (including food hygiene), public perception of the Trust and the Estate, safety, reserves policy and budgetary control. The Board recognizes the need for a continually up-dated strategic plan and to review its own need for special skills. It is acutely aware of the dangers of over-reliance on a limited number of clients and has taken steps to attract a wider range of users through recommendation and advertising. The health and safety of the public, and of our staff, is of paramount importance and systems and precautionary measures in place throughout the estate are consistently upgraded to meet changing regulations.

The Trustees meet annually and review all the risks to which they consider the Trust is liable and the steps and policies necessary to mitigate them.

Objectives and Activities

Overall Objectives

The company is a charity and was established to manage the Avenue House Estate in Finchley - to manage its grounds as a public garden and its buildings to provide meeting rooms for community purposes and accommodation for charities. The principal objects of the Charity are:

- to promote the charitable objects of the charity "The Avenue House Estate" for the benefit of the public

- to promote the conservation of the grounds and buildings of the Avenue House Estate in Finchley for the benefit of the public
- to educate the public in the historic, architectural, landscape and cultural aspects of the grounds and buildings of the Avenue House Estate in Finchley
- to promote any other exclusively charitable object.

Further objects relate to preservation and enhancement of the environment, including land, buildings and open space.

Clause 3.1 in the Memorandum and Articles of Association refers to the charitable objects in a Scheme for the Avenue House Estate issued by the Charity Commission on 2 October 2001 as follows:

- The object of the charity is the preservation and maintenance of the Mansion House, buildings and grounds of the Avenue House Estate for use by members of the public, including use for:
 - (a) meetings, lectures and classes, and
 - (b) other forms of recreation and leisure-time occupation with the object of improving the conditions of life for members of the public.

Objectives and Strategy in 2012/13

During 2012/13 the Trust's prime objective was to continue to trade as a going concern. Its strategy to achieve this was to earn sufficient income from its letting of space in the house to enable it to keep the Grounds open to the public, and to meet its financial commitments.

Achievements and Performance

2012/13 was a year of challenge and change for the Trust. Lance Bourne's decision not to continue as General Manager meant that we had to re-fill this post for the second time in a year. Happily, in his short time with us, Lance laid many of the foundations of a successful business, and Malcolm Godfrey has been able to move forward on these. As a result, we have reviewed the offer of facilities that we have made, and stopped taking many of the smaller bookings that filled our rooms, but were actually losing us money. We are now seeing an increasing number of profitable bookings, and we are also being able to offer a much better, and more profitable, catering operation. Both are helping us to build up our commercial operation on a sustainable and profitable basis. We have also managed to find tenants for all the lettable space in the House, and in the Lodge House, increasing our income from this activity by almost 100%.

Sadly, this improvement in our performance only really started to show in the last quarter of the financial year. With no grant income, and with increased staff costs following the employment of a Grounds and Buildings Manager, our overall performance for the year moved from a profit back to a loss of some £23k. The loss of grants and the cost of the extra manager represented a worsening of well over £35k, and donations were also down by some £6k, so the loss hides that the overall business performed appreciably better than in 2011/12. We now have two fewer employed staff, so, with the improved recent rental and commercial income we are having a much better year in 2013/14.

As always, we have achieved this only because our staff have continued to give their support to the Trustees. For them it has been a further year of uncertainty and change, but they have continued to deliver all that has been asked of them, and to remain cheerful and enthusiastic. We have seen changes in the staff, with Glenn Rooke leaving, after spending a year with us improving our building stock and our handyman Tony Berardo retiring after several years. Both made considerable contributions to the Estate. I speak for all the Trustees in offering my heartfelt thanks to them, and to all the staff for their input and support in the year.

The 1974 Health and Safety at Work Act lays a reasonable requirement on employers to ensure that the public and employees (including volunteers) return home in the same state of health in which they came to our premises; we remain conscious of this obligation at all times. We had no reportable accidents to staff or public during the financial year, although a member of the public did have a serious fall shortly after the end of the financial year. We have investigated this and identified steps to try and prevent repetition. Health and Safety remains the first item on our Board meeting agenda.

In this report two years ago I stated that we had set ourselves a series of objectives. In the last year we have continued to make progress with them, as listed below:

- Adopt a more open posture

We have published regular newsletters to our members and supporters, met with local councillors and other opinion formers, spoken about the Estate and the Trust to local bodies, and made sure that the Trustees are visible on the Estate so that the users can discuss matters with them. We have developed links with the local press, who have published supportive articles, and general feedback is that the Estate is seen as a more welcoming and open place.

- Start to develop conservation strategies for each building on the Estate

There has been little progress on this in the year, but strategies for the gardens and outbuildings will be included in work funded by the HLF grant, and Terapia's restoration of the Bothy has already produced a Conservation Statement. Both of these initiatives are covered below. We still need to develop a conservation strategy for the House itself.

- Seek new grant opportunities to support the upkeep of our infrastructure

The Heritage Lottery Fund turned down our application for a grant towards restoring the grounds and outbuildings last December. Although this was a great disappointment to us, the HLF made clear that the main problem was its lack of available funding, rather than any problem with the application itself. Nevertheless, we reviewed and improved our proposal and resubmitted it in February of 2013. The revised application was strengthened by the offers of support from Barnet Council, and of help to raise support from the City.

Happily we were successful in our second application, and on July 2nd the HLF announced that the Trust would receive a grant of £101,600 to develop its scheme. We are particularly grateful to Jon Sheaff, who worked pro-bono to prepare the original and revised applications. We are happy that Jon won the competition to be the Project Manager for the scheme, and look forward to

working with him in delivering a much-needed upgrade of the gardens and outbuildings over the next couple of years.

- Through the Friends, actively seek financial support from the people of Finchley

The Friends campaign to encourage people to take out standing orders to support the Estate has resulted in annual income, including Gift Aid, of some £12,000. With agreement from the Trust, the scheme has not been pushed hard during this financial year, and the position is basically static compared with a year ago. The HLF award gives the opportunity to market this scheme once more, as we will now be able to use any standing orders as matched funding for that grant.

- Encourage the use of volunteers to increase our labour resource

Last year I reported on the use of volunteers for litter picking and gardening, in the Estate and particularly in the Bothy Garden. All these activities have continued throughout the year, and I thank all our voluntary helpers. Additionally, during the last year we have built a developing relationship with University College London. We have seen regular volunteers come and help with gardening and surveys for the HLF application. The UCL Drama Society has run two plays in 2013, a Murder Mystery in February 2013, and a five-performance run of 'A Midsummer Night's Dream' in the Bothy Garden, appropriately in mid-June. Both were highly successful, and we hope to continue this relationship with more plays next year, and possibly with a concert from the UCL Music Society.

Apart from the physical work on the Estate, I would also like to thank my fellow Trustees, and the Committee of the Friends, all of whom have put in a vast amount of unsung work for us.

- Encourage the Friends to run events that both raise cash for the Estate and raise its profile for the people of Finchley

In the year under review the Friends, working with the management of the House, have run five quiz nights, a film night, a wine tasting, a lecture by Sir Michael Bear, the Party in the Park, afternoon tea with Downton Abbey star Jim Carter, a Halloween night and the Murder Mystery. The 2012 Egg Hunt was also just in this financial year, as was the 2013 one, which was sadly cancelled due to heavy snowfall. The result of all these events, even without the highly successful auction night in the previous year, can be seen in the excellent donations income for the year, for which the Trustees are extremely grateful.

As well as the overall financial performance, and the strategic points above, I would also mention the following developments:

Leasing the Bothy to Terapia

During the year we consulted on a lease of the Bothy to the psychotherapy and counselling charity Terapia. We successfully concluded this consultation and signed an agreement to Lease with Terapia in December 2012. Since then Terapia has completed its design for the restoration of the Bothy, submitted its application for planning consent, and received this consent. At the time of writing we are about to

sign a 75 year lease of the Bothy to Terapia. This lease does not include the Bothy Garden, which remains under the Trust's management. We look forward to Terapia restoring this iconic building and bringing it back into use.

Upkeep of the Estate's infrastructure

In the last year we have seen a considerable improvement in the state of our infrastructure. In the gardens the never-ending work of our gardeners, assisted to an extent by volunteers, has resulted in repeated compliments on their state.

The House itself has also improved, with decoration of the front portico, the Stephens' room and many of the corridors being the most obvious steps forward. Equally important has been the overhaul of key safety issues, including testing of all the electric services, and a tree survey.

In addition we have seen improved signage, funded by the Friends and by donations, that hopefully make it much clearer to passers-by on East End Road that the Estate is open to the public.

In closing this section of the report, I want to thank two individuals and three groups of people, without whom the Trust would not have survived. Lance Bourne, in his short time with us, introduced a degree of system and professionalism to the Estate that we shall be able to rely on for years to come. Malcolm Godfrey has built on that systemisation and continued to develop it. He has also highlighted that we have to concentrate on earning sufficient money from our commercial activities to be able to deliver our charitable objectives, and has worked hard to ensure that that is so.

I cannot overstate the contribution of our supporters, and particularly the Friends of Avenue House and the Bothy Gardeners. The dedication and support of both groups to the Estate has been a major factor in getting us to the point where we are finally becoming profitable, after another difficult year. The Friends' fund-raising and events have made another major contribution - we would be £60,000 worse off without their efforts over the last two years. The Bothy Gardeners have delivered a wonderful resource that we are now beginning to make real use of. The enthusiasm and professionalism of both voluntary groups has been superb, and we all owe them a debt of gratitude.

Lastly, I would thank my fellow Trustees for their support. Being a Trustee is a duty to society for which one cannot be paid, but which involves taking on significant legal responsibilities. We are fortunate to have Trustees who not only do this, but also help in the day-to-day running of the Estate, whether in book-keeping, legal advice, picking up litter, making contacts or just representing us to the people of Finchley. I am fortunate to have such a fine set of colleagues and they all help in keeping our Estate open and attractive.

I'm sure that my colleagues will forgive me for particularly picking out Bill Tyler's contribution. Bill was a leading light in the formation of the Trust, and led it through obtaining the lease from Barnet, and the trials of the first eight years of that lease. He has been much attacked at times, but, with hindsight, proved right in the steps that he took. At the time of his retirement as a Trustee I would like to pay tribute to him for all his contribution to Avenue House. I hope that he will remain available to give support and advice as a Vice-President.

Future Plans

The Trust's current plans include:

- Continuing to trade as a going concern, at least breaking even and ideally making sufficient surplus to build up an adequate reserve.
- Improving the marketing of the House for both commercial and social functions, to increase the turnover and profitability of the business.
- Maintaining tenants in all the lettable office space in the House.
- Increasing our involvement with the Finchley community, encouraging all the various groups therein to use the Estate.
- Continuing to work with the Friends to increase community income by standing orders and profitable events.
- Submitting a Stage 2 application to the HLF for a grant to actually upgrade the gardens and outbuildings.
- Concluding the lease with Terapia and helping it to start the restoration of the Bothy.
- Continuing the systemisation of the operation of our business, in terms of both the physical infrastructure and the commercial operations.

Public Benefit Statement

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The letting of permanent accommodation to charities and room lettings on an hourly basis to other charities and the public, the maintenance of the grounds and listed buildings for public enjoyment, the provision of space for the Stephens' Museum and provision for educational visits by schools, has enabled the Trustees to meet the objectives of the charity for the benefit of the public.

Reserves Policy

The Trustees remain of the opinion that the maintenance of a number of historic buildings requires a reserve that can accommodate an unexpected major structural failure, or the unexpected absence of a key member of staff by sickness or accident.

The Board's current target for a reserve remains at £40,000. At the start of the 2012/13 financial year the reserves stood at £24,969 and the Trustees had hoped to continue to move towards this figure. However, the loss made in the year meant that this was not possible, and at the end of the financial year the reserves were £2,278. However, the Trustees remain of the opinion that they should build up the

reserves to £40,000 as quickly as the trading position of the Trust allows, and will continue to use any surplus the Trust generates, after operating and maintaining the Estate, to work to this end. Initial signs for 2013/14 are optimistic, and we were able to transfer over £10,000 to the reserve in June 2013.

Responsibilities of the Board

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group as at the balance sheet date and of the charitable group's incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board should follow best practice and:

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

The Board is responsible for maintaining proper accounting records that are sufficient to show and explain the Trust's transactions and which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enables them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and regulations made thereunder. The Board is also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board

Members of the Board, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 2.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware and
- as the directors of the company we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

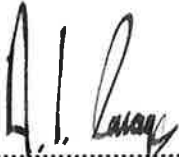
Auditors

HW Fisher and Company were appointed as the company's auditors for 2012/13 and have expressed their willingness to continue in that capacity. In accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Accounts

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (issued March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board on 21 October 2013 and signed on its behalf by:



.....
Andy Savage, Chair

Independent Auditors' Report to the Members of Avenue House Estate Trust

We have audited the group and parent charitable company accounts of Avenue House Estate Trust for the year ended 31 March 2013 set out on pages 13 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Responsibilities of the Board section on page 9, the trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Accounting (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of:-

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustees; and
- the overall presentation of the accounts.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:-

- give a true and fair view of the group's and parent charitable company's affairs as at 31 March 2013, and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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; or
- the accounts 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.



Andrew Rich
(Senior Statutory Auditor)
For and on behalf of H W Fisher & Company
Chartered Accountants
Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated:.....21/10/13.....

Consolidated Statement of Financial Activities (including Income and Expenditure Account)
for the year ending 31 March 2013

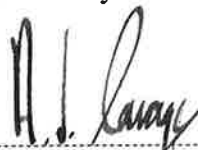
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
<u>Incoming Resources</u>					
Incoming resources from generated funds:					
Grants Received	2,17	-	-	-	9,664
Donations	3	30,754	-	30,754	36,241
Commercial trading operations	4	67,134	-	67,134	77,582
Interest income		163	-	163	179
Total from generated funds		98,051	-	98,051	123,666
Incoming resources from charitable activities:					
Room and equipment hire		140,085	-	140,085	140,423
Refreshment income from room hires		5,683	-	5,683	11,486
Rents and service charges		62,349	-	62,349	66,517
Total from charitable activities		208,117	-	208,117	218,426
Other incoming resources	5	3,499	-	3,499	9,731
<u>Total Incoming Resources</u>		309,667	-	309,667	351,823
<u>Resources Expended:</u>					
Cost of Commercial trading operations	4	53,379	-	53,379	63,835
Governance Costs	6	27,450	-	27,450	25,276
<u>Net incoming resources available for Charitable application</u>		228,838	-	228,838	262,712
<u>Resources Expended on Charitable Activities:</u>					
Maintenance of the Estate buildings	7	82,704	-	82,704	73,599
Maintenance of the Estate grounds		60,879	-	60,879	65,607
Use of the Estate by the Community		107,946	-	107,946	116,803
Total expended on charitable activities		251,529	-	251,529	256,009
Net movement of funds in the year		(22,691)	-	(22,691)	6,703
Total funds at 1 April	9	24,969	-	24,969	18,266
Total funds at 31 March		2,278	-	2,278	24,969

Consolidated Balance Sheet as at 31 March 2013

	Notes	Group 2013 £	Group 2012 £	Trust 2013 £	Trust 2012 £
Fixed Assets					
Investment in Subsidiary	19	-	-	1	1
Tangible assets	20	11,240	10,674	8,279	9,499
Total Fixed Assets		11,240	10,674	8,280	9,500
Current Assets					
Stocks of food and beverages		1,043	1,098	-	-
Debtors	11	16,165	15,640	21,965	20,476
Cash at bank and in hand		26,284	39,740	18,054	30,985
Total Current Assets		43,492	56,478	40,019	51,461
Creditors:					
Amounts falling due within one year	12,13	52,454	42,183	46,021	35,992
Net Current Assets/(Liabilities)		(8,962)	14,295	(6,002)	15,469
Total Net Assets	15	2,278	24,969	2,278	24,969
Unrestricted funds					
Designated Funds	15,16	-	7,000	-	7,000
General Funds	15	2,278	17,969	2,278	17,969
		2,278	24,969	2,278	24,969
Restricted Funds					
	16,17	-	-	-	-
Total Funds		2,278	24,969	2,278	24,969

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities. The notes on pages 15 to 23 form part of these accounts.

Approved by the Board of Directors on 21 October 2013 and signed on its behalf by:



Andy Savage
Chair

**Notes forming part of the Consolidated Financial Statements
for the year ended 31 March 2013**

1. Accounting Policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), the Financial Reporting Standard for Smaller Entities (effective January 2007), the Companies Act 2006 and the Charities Act 2011. Consolidated accounts have been prepared for the charity and its trading subsidiary, Avenue House Services Limited. The results of the subsidiary have been consolidated on a line by line basis. The charity has taken advantage of S.270 Companies Act 2006 and has not prepared a separate Statement of Financial Activities for the charity. The unconsolidated net outgoing resources for the year for the charity were £26,646. (2012: net incoming resources of £3,516)
- b) Voluntary income is received by way of donations, gifts and the related gift aid and is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.
- c) Donations of items for display within Avenue House are brought into account at a reasonable estimate of their gross value to the charity where this value can be reasonably ascertained. Where the value of the item cannot be reasonably ascertained, and a valuation is not considered to be appropriate by the Trustees, a general description of such items is provided.
- d) Grants, including grants for the purchase of fixed assets, are recognized in full in the Statement of Financial Activities in the year in which they are receivable.
- e) Incoming resources from room hire and catering are included at the time the service is provided. Rental income and service charges are included in the period to which they relate.
- f) Resources expended are recognized in the period in which they are incurred. Resources expended by the Trust include attributable VAT which cannot be recovered. Resources expended by AHSL are net of VAT, which the company sets off against the VAT it receives in the course of its business. Resources expended in applying for a charitable grant are included in legal and professional fees.
- g) Resources expended are allocated to the particular activity and expenditure heading to which they relate. Costs incurred centrally are allocated to the expenditure categories on the basis consistent with the use of the resources. Governance costs include those costs incurred in the governance of the assets and associated constitutional and statutory requirements.
- h) Any fixed assets purchased for more than £500 are capitalised and recognised at cost.

- i) Depreciation is calculated so as to write off the cost of the asset, less its estimated residual value, over the useful economic life as follows:
- i. Plant and equipment- 5 years straight line
 - ii. Fixtures and fittings- 10 years straight line
 - iii. Computer equipment- 3 years straight line
 - iv. Office equipment- 5 years straight line
 - v. Land and Buildings are depreciated over the term of the Trust's lease.
- j) Stocks of food and beverages are stated at the lower of cost and net realisable value
- k) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- l) Designated funds are unrestricted funds earmarked by the management committee for particular purposes. Transfers to designated funds from unrestricted funds are recognized after Board approval.
- m) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the restricted fund.
- n) Deferred income comprises amounts received in advance in respect of rental and room hire.
- o) Accrued income comprises amounts due during the year but received after the year end in respect of grants receivable and recoverable gift aid related to donations.
- p) A Stakeholder Pension Scheme has been arranged for those members of staff who are eligible to join. No members of staff have yet joined the scheme.
- q) Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2. Grants received

	Unrestricted	Restricted	2013 Total	2012 Total
	£	£	£	£
Groundworks	-	-	-	9,664
Total Grants	-	-	-	9,664

3. Donations Received

	Unrestricted	Restricted	2013 Total	2012 Total
	£	£	£	£
General donations	28,823	-	28,823	32,241
Gift Aid recoverable	1,931	-	1,931	4,000
Total Donations	30,754	-	30,754	36,241

4. Commercial Trading Operations

Avenue House Services Limited, the wholly owned trading subsidiary of the Trust, commenced operations on 1 June 2006. It is responsible for facilitating the charity's objective of encouraging community use of the estate by providing catered events in the house. It pays all but a small proportion of its profits to the Trust under gift aid. A summary of its trading results for the last two years is shown below.

	2013 £	2012 £
Turnover	67,134	77,582
Cost of sales and administration expenses	(53,379)	(63,835)
Rent paid to the Trust	(6,000)	(6,000)
Audit and accounting (Governance costs)	(3,800)	(4,560)
Net Interest receivable	-	-
Net Profit	3,955	3,187
Amount gift aided to the Trust	3,955	3,187
Retained earnings	-	-
The assets and liabilities at 31 March were:		
Fixed assets	2,961	1,174
Current assets	11,948	10,552
Current liabilities	(14,908)	(11,725)
Total Net Assets/(Liabilities)	1	1
Aggregate share capital and reserves	1	1

5. Other Incoming Resources

Other Incoming Resources of £3,499 (2012: £9,731) includes £ NIL (2012: £5,584) in respect of insurance monies received.

6. Governance Costs

	Unrestricted	Restricted	2013	2012
	£	£	Total	Total
	£	£	£	£
Auditors' remuneration	9,000	-	9,000	9,000
Accounting and advisory	1,100	-	1,100	4,660
Book-keeping costs	1,000	-	1,000	1,000
Trustees' indemnity insurance	900	-	900	900
Allocated staff costs	15,450	-	15,450	9,716
Total Governance Costs	27,450	-	27,450	25,276

7. Resources Expended on Charitable Activities

	Building	Grounds	Community	2013	2012
	Maintenance	Maintenance	Use	Total	Total
	£	£	£	£	£
<u>Direct Costs</u>					
Staff costs	-	25,220	6,756	31,976	32,533
Grounds maintenance	-	5,003	-	5,003	15,771
Building maintenance	14,259	-	-	14,259	17,069
Catering supplies	-	-	1,423	1,423	680
General supplies	-	-	2,291	2,291	4,924
Rates and water usage	4,885	1,036	296	6,217	6,180
Cleaning	1,514	252	757	2,523	2,892
Total Direct Costs	20,658	31,511	11,523	63,692	80,049
<u>Allocated Costs</u>					
Staff costs	38,863	20,441	28,170	87,474	57,502
Insurance	8,500	1,800	8,791	19,091	21,627
Legal & Professional Fees	670	1,005	1,340	3,015	2,536
Power, light and heat	4,568	914	12,790	18,272	17,314
Depreciation of fixed assets	150	461	1,360	1,971	1,971
Sundries	1,812	604	604	3,020	5,555
Total Allocated Costs	54,563	25,225	53,055	132,843	106,505
<u>Administration Costs</u>					
Staff costs	6,450	3,799	37,861	48,110	61,290
Printing, postage and stationery	605	202	3,227	4,034	5,556
Advertising	66	22	352	440	83
Telephone	362	120	1,928	2,410	2,504
Bank and credit card charges	-	-	-	-	22
Total Administration Costs	7,483	4,143	43,368	54,994	69,455
<u>Total Resources Expended on Charitable Activities</u>	82,704	60,879	107,946	251,529	256,009

7. Resources Expended on Charitable Activities (continued)

In the table on the preceding page:-

Direct Costs relate to those categories of expenditure that apply to only one of the Charity's objectives. The Staff Costs included here also relate to those employees dedicated solely to one charitable activity.

Allocated Costs relate to those categories of direct expenditure that apply to two or more of the Charity's objectives. They have been apportioned in a way consistent with actual consumption (fees, light and heat and sundries), the purpose of the underlying asset (depreciation) or the type of protection purchased (insurance). In addition, the Staff Costs included here relate to those employees whose duties cover the delivery of two or more charitable activities.

Administration Costs include all generic expenditures related to the day-to-day running of the Charity. These have been allocated based on analysed usage of each category of expense. The Staff costs shown in this category relate to all support activities (e.g. customer bookings, invoicing, purchasing) and include the Trustee Manager's costs not allocated to Governance (see Note 6).

8. Staff costs and numbers

	Group 2013 £	Group 2012 £	Trust 2013 £	Trust 2012 £
Salaries and Wages	195,857	175,577	170,478	149,505
Social Security Costs	14,590	13,368	12,532	11,537
Total Staff Costs	210,447	188,945	183,010	161,042

Included within Group salaries and wages are Trustees' emoluments (see note 18).

No employee received emoluments of more than £60,000 from this employment. No members of staff have yet joined the stakeholder pension scheme of the charity.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	Group 2013	Group 2012	Trust 2013	Trust 2012
Trading subsidiary employees	2	2	-	-
Maintenance of the Estate buildings	2	2	2	2
Maintenance of the Estate grounds	3	3	3	3
Use of the Estate by the Community	3	4	3	4
Total Employees	10	11	8	9

9. Movement in total funds for the year

	Group 2013 £	Group 2012 £	Trust 2013 £	Trust 2012 £
This is stated after charging:				
Auditors' remuneration:-				
External audit	10,100	9,000	6,600	7,500
Accountancy and advisory services	1,333	5,660	700	2,600
Operating leases for equipment	2,063	2,063	1,103	1,103
Depreciation	2,750	2,774	1,971	2,383

10. Taxation

The Trust, as a charitable company, is exempt from corporation tax on its charitable activities. Profits generated by AHSL and donated to the Trust are also exempt from corporation tax under Gift Aid rules.

11. Debtors

	Group 2013 £	Group 2012 £	Trust 2013 £	Trust 2012 £
Trade debtors	3,907	2,913	1,232	2,215
Prepayments and accrued income	12,258	12,727	12,258	12,727
Receivable from Trading Company	-	-	8,475	5,534
Total Debtors	16,165	15,640	21,965	20,476

12. Creditors

	Group 2013 £	Group 2012 £	Trust 2013 £	Trust 2012 £
Creditors	6,224	8,880	5,926	8,151
Accruals	11,100	11,100	7,300	7,300
Taxation and social security	4,075	3,463	4,075	3,463
VAT Payable	1,825	434	-	-
Deferred Income (note 13)	29,230	18,306	28,720	17,078
Total Creditors	52,454	42,183	46,021	35,992

13. Deferred Income

	Group 2013 £	Group 2012 £	Trust 2013 £	Trust 2012 £
Balance at 1 April	18,306	26,155	17,078	24,925
Recognised as income during the year	(18,306)	(26,155)	(17,078)	(24,925)
Amount deferred during the year	29,229	18,306	28,720	17,078
Balance at 31 March	29,229	18,306	28,720	17,078

Deferred income comprises amounts received in advance for room bookings and tenants' leases in respect of expenditure to be incurred after 31 March 2013.

14. Operating Lease Commitments

The Group has commitments under the terms of operating leases for a dishwasher and a photocopier. Payments for the year are shown in Note 9. The annual commitments payable in future years are shown below, analysed according to the expiry of the leases.

	2013 £	2012 £
One year	80	-
Between two and five years	1,103	2,063
Total commitments	1,183	2,063

15. Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Balance at 1 April 2012	17,969	7,000	-	24,969
Net outgoings for the year	(15,691)	(7,000)	-	(22,691)
Balance at 31 March 2013	2,278	-	-	2,278

Fixed Assets

	Land & Buildings £	Plant & Equipment £	Fixtures & Fittings £	Office Equipment £	Computer Equipment £	Total £
Cost						
As at 1 April 2012	4,520	21,380	4,912	4,181	14,412	49,405
Additions	-	-	-	1,941	1,375	3,316
Disposals	-	-	-	-	-	-
As at 31 March 2013	4,520	21,380	4,912	6,122	15,787	52,721
Depreciation						
As at 1 April 2012	180	19,994	3,782	3,941	10,834	38,731
Disposals	-	-	-	-	-	-
Charge for the year	45	416	491	508	1,290	2,750
As at 31 March 2013	225	20,410	4,273	4,449	12,124	41,481
Net Book Value						
As at 31 March 2013	4,295	970	639	1,673	3,663	11,240
As at 1 April 2012	4,340	1,386	1,130	240	3,578	10,674

As at 31 March 2013, the Net Book Value of assets owned by Avenue House Services Limited was £2,961 (2012: £1,174). These values are included in the above table.