

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

Group Annual Report and Accounts

For the Year ended 31 March 2014

Charity number: 1093908
Company number: 04099007

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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 2014

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 Bill Tyler

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
Sasha Frieze (co-opted 15 April 2013, resigned 6th August 2014)
Mel Hooper, Secretary
John Lancaster
George Nosworthy (resigned 31 January 2014))
Julian Trevelyan (co-opted 15 April 2013)
Bill Tyler (resigned 31 January 2014)
Alison Dean (co-opted 31 July 2014)
Khalid Ghani (19 February 2014)

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
HowardKennedyfsi, 19 Cavendish Square, London, W1A 2AW

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 (47, including the trustees, at 31 March 2014) 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 Stephens House and Gardens.

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 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 2013/14 the charity was managed by a General Manager, Malcolm Godfrey, who had taken 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 were John Lancaster and Mel Hooper for the whole of the financial year 2013/14, although Mel has subsequently retired, and Julian Trevelyan and Malcolm Godfrey have joined the Board. AHSL has a licence to operate from the charity's premises and pays the majority of its profits to the charity by gift aid.

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.

The Trust has always sought to have charities as a high percentage of its tenant base. During this financial year we were delighted to host Grief Encounter and Barnet Homestart as tenants, along with, from October 2013, Terapia, which has leased the Bothy.

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 Stephens House and Gardens, 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 submit an annual 'conflict of interest' declaration to ensure that they do not put themselves or the Trust at risk by personal activities. Currently no Trustee receives any payment or expenses from the Trust.

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 2013/14

During 2013/14 the Trust’s prime objectives were

1. 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 Gardens open to the public, and to meet its financial commitments.
2. To improve the conditions of its built estate to meet its charitable objectives. The obtaining of a Development Grant from the Heritage Lottery Fund and the Big Lottery, and the submission of an application for a Delivery Grant were major steps forward in this process, as was the award of the Delivery Grant after the end of the financial year.

Achievements and Performance

2013/14 was a year when we started to consolidate the business into a sustainable operation. After two changes in the post of General Manager in as many years, Malcolm Godfrey has now been in post for over two years, in which time he has started a systematic overhaul of our business, offering a range of attractive products and systemising our methods of operation.

Undoubtedly the biggest change has been the development of a profitable catering business, which has grown from nothing to a point where it is almost, in turnover terms, matching our room hire activities. The room hire business has shrunk somewhat, as we have extricated ourselves from loss-making small bookings that took much time and effort, but we have more than matched this by successfully letting all the available space on the Estate to charitable and commercial tenants. Overall we have seen our gross operational revenue grow to £387,716, an increase of some 25% over 2012/13.

I reported last year that we were seeing an increase in our profitability, and this proved to be the case, with improved commercial operations and rental income well ahead of the associated cost increases. In 2012/13 we made a loss of some £23,000, and the Trustees budgeted on a break even performance in 2013/14, which we have delivered, reporting a nominal loss of £114.

Apart from our operational activities, the funding for our HLF scheme has produced a considerable increase in our turnover this year. This money was mainly used to employ consultants who developed our submission for the actual work. We managed to submit our Delivery Grant submission only eight months after we were awarded the Development Grant, which we understand is a record for any 'Parks for People' scheme. I cannot thank our consultants, Project Manager Jon Sheaff, and my colleagues on the Project Board enough for all their effort in achieving this, which was rewarded by the full Delivery Grant of £2.1 million being announced in the summer of 2014. I would also like to thank the Councillors and Officers of the Borough of Barnet, whose financial and practical support were invaluable in being able to achieve what we have. As a result of this work, and the associated consultants investigations, we now have a far better understanding of our infrastructure, how we should maintain the gardens, and the community in which we live and operate.

During the year we reviewed the Rules for the Gardens. We had had a very strict set of Rules, which we were not enforcing, and in August 2013 we replaced these with a more relaxed set, but which we do expect to be followed. In particular we no longer require dogs to be on leads throughout the grounds, and we now permit cycling in a large part of the Gardens, but in both cases we have kept restrictions around the lower green, so that there is an area where children can play and roll on the grass without being at risk from cycles or dogs. The new rules have been generally accepted.

On his arrival two years ago, Malcolm Godfrey was highly critical of our web site, and we employed a consultant to prepare a new one. During the consultation for this we developed the idea of changing our branding to emphasise the 'Stephens' connection of the Estate, and in February of 2014 we launched our new website and brand as 'Stephens House and Gardens'. Although inevitably contentious locally, this has generally been accepted, and has certainly had the desired effect of increasing the number of enquiries for bookings generated through our web site (www.stephenshouseandgardens.com) from a very low level to a considerable number. We also got good media coverage from this rebranding.

In the late summer of 2013 our concessionaire for the kiosk, Albert Bejerano, decided that he would not be able to bid for the renewal of his lease in early 2014, and asked that he be released from the remainder of his existing lease at the onset of the winter period. As we had no desire to hold him to the lease for what would be a loss-making period we agreed to this. We are very grateful to Albert for having the faith to open the kiosk at a time when the Trust was at its weakest, and for offering such a good service. We were also very fortunate that Ray Amiri, owner of the nearby 'Totally Espresso' was willing to take over the kiosk, and he re-opened it in February of this year. Ray has ambitious plans to develop a bistro / restaurant in the Stables Block in conjunction with our 'Parks for People' project, and he has already expanded his business by moving from the kiosk to the stables and offering a much improved café service, which has proved very popular.

For some time the Trustees had been concerned about the quality of financial information that they had been able to access, and they authorised the purchase of a new accountancy package, Sage, early in 2013. Installing this has been a major effort for our small business, but it is now up and running, and providing both the management and the Board with a regular level of information that was never previously accessible, as well as greatly simplifying our VAT and Gift Aid submissions. We are all very pleased with this invisible, but most helpful, improvement.

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 one member of the public did have a serious fall. This emphasised the need to review and improve our paths, which is part of our 'Parks for People' scheme. Health and Safety remains the first item on our Board meeting agenda.

Three years ago we set ourselves a series of objectives, in many cases formalising our previous ambitions, and we continue to make progress with them, as listed below:

- Adopt a more open posture

We have continued to publish regular newsletters to our members and supporters, with the new website permitting a major improvement in the quality of these. We have 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. The local press continues to publish supportive articles, and general feedback is that the Estate is seen as a welcoming and open place.

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

The Development Phase of the Parks for People project has enabled us to do this for all the outbuildings in its scope, and our tenants, Terapia, have done this for the Bothy. Thus all that remains is to develop a conservation strategy for the House itself. This is likely to have to wait for some time, until we have got the Parks or People project delivered, and can turn our attention to upgrading the House.

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

I have already explained our success with obtaining the Parks for People grant for the HLF and the Big Lottery. This grant covers some 2/3 of the total cost of the project, and we have actively sought the remaining funding. Former Lord Mayor of London and local resident Sir Michael Bear has raised considerable sums of money from the Livery Companies, and the Borough and our new tenant for the café have each committed a large amount. With the value of volunteering and management time counted in the majority of the funding is in place, and the Trustees guaranteed to find £90,000 over three years to complete the funding package. At the time of writing the vast majority of this sum is now underwritten by specific donations from individuals (for which we are most grateful) and grants from other charities.

Looking further ahead, your Trustees are beginning to consider how we might find funding to give the House the sort of overhaul that the Gardens are about to receive.

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

In the last financial year we have gained a few extra standing orders, which basically have kept the amount of donations from this source static at about £12,000 per annum, as other standing orders have come to an end. However, we were fortunate to receive a legacy shortly after the end of the financial year, and we are developing a marketing plan to encourage such legacies in the future. In addition the Friends are looking to carry our marketing out into the middle of Finchley, with a presence in front of the local Tesco at weekends from time to time.

- Encourage the use of volunteers to increase our labour resource

Our regular volunteers have kept up their efforts in the Bothy Garden, litter picking and assisting the paid staff in the rest of the Gardens. In addition we have continued to get regular support from the students at University College London, and we are looking to spread this relationship to Imperial College and Middlesex University if we can.

A particular success has been the provision of volunteers from the Challenge Network. For the last three years they have provided a group of young volunteers every September, and this has led to the painting of the Bothy Gates, vegetation clearance, and a major tidy up of the Monkey Hill area by removing the fencing. More recently we have started to see slightly older volunteers help us as well, and large number of Challenge Volunteers helped with the 2014 'Gala in the Gardens', and subsequently with general gardening.

We have also had voluntary help in both marketing and volunteer management, with volunteers working in the House to both develop events and, more recently, take on the recruitment and management of volunteers.

We are most grateful to all our volunteers, and would like to spread the activity. In particular, we would like to have a volunteer-run information point for visitors, and to encourage volunteers to lead guided tours on the Estate.

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 an Egg Hunt, four quiz nights, the Party in the Park, the Hallowe'en night and a concert with UCL Music Society. The surplus from all these events has contributed to another excellent amount of 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

In October 2013 we signed a 75 year lease of the Bothy to Terapia. This lease does not include the Bothy Garden, which remains under the Trust's management. Terapia has developed wonderful plans for restoring this iconic building and bringing it back into use, and the Borough has approved these, granting both Planning and Listed Building consent. Terapia is now deeply involved in fund-raising, and we look forward to them starting work on the restoration in due course.

Upkeep of the Estate's infrastructure

In the last year we have maintained the recent 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 regular comments that the gardens are their best ever.

We suffered badly with the storms on the night of February 14th, with three major trees being blown down. I was most grateful to all the local residents who turned out the following day to clear the paths where the trees had landed across them. Since the trees fell those near the playground have become a major attraction to the children who use the area, and we are looking at how we can retain the trunks as an added play attraction.

The House itself has also continued to improve. We have painted the rear of the house around the terrace, and also improved the flower beds here: it is a vital area for our wedding business. We have started to carry out more permanent repairs on some of our poorer roofs, to the huge relief of our tenants, and we have continued with systematic maintenance of our electric services, with our former buildings manager returning as a contractor regularly to ensure that we do not lose the ground he gained when in our employment.

Finally, as part of our 'Parks for People' assessments, we found that bats were not roosting in the water tower, despite a long-standing belief that they were. As a result we were able to remove the ivy from the tower, revealing that the structure was in a far better state than we had dared hope. This is perhaps the most obvious physical result of many months of hard work

establishing the state of our assets, but as a result of the Development Phase of ‘Parks for People’ we now know far more about the state of our infrastructure, and have funded plans in place to see it improved over the next couple of years.

Conclusion

In closing this section of the report, I want to thank those people without whom the Trust and the Estate would not survive. Top of my list has to be our General Manager, Malcolm Godfrey. He has worked massively hard to not only develop and systemise our business, but has got stuck in in the kitchen and developed our catering offer from nothing to a highly profitable part of our business. In doing this he has trained a cadre of youngsters from Barnet and Southgate College, giving us a depth of resource that we could not otherwise afford, and passing on his own vast experience to them. Malcolm had a tough year personally, losing three months off ill, but happily he made a full recovery, and was soon back in harness. I am most grateful to Malcolm for all his work for us.

Secondly, we have our staff. They have stuck with us through thick and thin, and it is a pleasure to see them still there, and still cheerful, as we come out of the tribulations of the recent years. They all put in massive efforts, above and beyond the call of duty, and we are so fortunate to have them helping us.

I cannot overstate the contribution of our supporters, and particularly the (renamed) Friends of Stephens House and Gardens, and the Bothy Gardeners. The dedication and support of both groups to the Estate has been wonderful. The Friends’ fund-raising and events have made another major contribution - we would be some £90,000 worse off without their efforts over the last three years. The Bothy Gardeners continue to deliver a wonderful resource, which is increasingly open to public visits, at no cost to the Trust. 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 in 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 would particularly thank Diane Brunt and Mel Hooper for their contributions, as both have decided to retire from the Board. They have made massive contributions, and will be greatly missed.

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 let-able office space in the House.
- Maintaining our involvement with the Finchley community, encouraging all the various groups therein to use the House and Gardens.
- Continuing to work with the Friends to increase community income by standing orders and profitable events.
- Delivering the 'Parks for People' project to upgrade the gardens and outbuildings.
- Supporting Terapia as they plan to start the restoration of the Bothy.

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 2013/14 financial year the reserves stood at £2,278, and it has not been possible to make any improvement in the year. However, the Trustees remain of the opinion that they should build up the reserves to £40,000 as soon as the trading position of the Trust allows, and will continue to use any surplus the Trust generates, after operating and maintaining the House and Gardens, to work to this end.

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

The Trustees appointed HW Fisher and Company as the company's auditors for 2013/14, and they 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 4 November 2014 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 2014 set out on pages 14 to 24. 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 10, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014, 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: 5 November 2014

Consolidated Statement of Financial Activities (including Income and Expenditure Account)
for the year ending 31 March 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
<u>Incoming Resources</u>					
Incoming resources from generated funds:					
Grants Received	2,17	-	185,011	185,011	-
Donations	3	27,820	2,700	30,520	30,754
Commercial trading operations	4	240,779	-	240,779	67,134
Interest income		64	-	64	163
Total from generated funds		268,663	187,711	456,374	98,051
Incoming resources from charitable activities:					
Room and equipment hire		18,743	-	18,743	140,085
Refreshment income from room hires		-	-	-	5,683
Rents and service charges		98,061	-	98,061	62,349
Total from charitable activities		116,804	-	116,804	208,117
Other incoming resources	5	2,249	-	2,249	3,499
<u>Total Incoming Resources</u>		387,716	187,711	575,427	309,667
<u>Resources Expended:</u>					
Cost of Commercial trading operations	4	177,621	-	177,621	53,379
Governance Costs	6	31,686	-	31,686	27,450
<u>Net incoming resources available for Charitable application</u>		178,409	187,711	366,120	228,838
<u>Resources Expended on Charitable Activities:</u>					
Maintenance of the Estate buildings	7	64,473	-	64,473	82,704
Maintenance of the Estate grounds		50,679	-	50,679	60,879
Use of the Estate by the Community		75,149	175,933	251,082	107,946
Total expended on charitable activities		190,301	175,933	366,234	251,529
Transfers between funds		11,778	(11,778)	-	-
Net movement of funds in the year	9	(114)	-	(114)	(22,691)
Total funds at 1 April		2,278	-	2,278	24,969
Total funds at 31 March		2,164	-	2,164	2,278

Consolidated Balance Sheet as at 31 March 2014

	Notes	Group 2014 £	Group 2013 £	Trust 2014 £	Trust 2013 £
Fixed Assets					
Investment in Subsidiary	19	-	-	1	1
Tangible assets	20	23,307	11,240	19,739	8,279
Total Fixed Assets		23,307	11,240	19,740	8,280
Current Assets					
Stocks of food and beverages		2,700	1,043	1,500	-
Debtors	11	68,566	16,165	62,043	21,965
Cash at bank and in hand		24,666	26,284	22,221	18,054
Total Current Assets		95,932	43,492	85,764	40,019
Creditors:					
Amounts falling due within one year	12,13	117,074	52,454	103,339	46,021
Net Current Assets/(Liabilities)		(21,142)	(8,962)	(17,575)	(6,002)
Total Net Assets	15	2,165	2,278	2,165	2,278
Unrestricted funds					
Designated Funds	15,16	-	-	-	-
General Funds	15	2,165	2,278	2,165	2,278
Restricted Funds	16,17	-	-	-	-
Total Funds		2,165	2,278	2,165	2,278

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 16 to 24 form part of these accounts.

Approved by the Board of Directors on 4th November 2014 and signed on its behalf by:

Andy Savage
Chair

Company Registration Number 04099007 England and Wales

**Notes forming part of the Consolidated Financial Statements
for the year ended 31 March 2014**

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 £114. (2013: net outgoing resources of £26,646)
- 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 recognised 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	2014 Total	2013 Total
	£	£	£	£
Heritage Lottery Funding	-	101,678	101,678	-
London Borough of Barnet	-	83,333	83,333	-
Total Grants	-	185,011	185,011	-

3. Donations Received

	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
General donations	24,866	2,700	27,566	28,823
Gift Aid recoverable	2,954	-	2,954	1,931
Total Donations	27,820	2,700	30,520	30,754

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 meeting rooms and 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.

	2014 £	2013 £
Turnover	240,779	67,134
Cost of sales and administration expenses	(177,621)	(53,379)
Rent paid to the Trust	(54,000)	(6,000)
Audit and accounting (Governance costs)	(8,460)	(3,800)
Net Interest receivable	-	-
Net Profit	698	3,955
Amount gift aided to the Trust	698	3,955
Retained earnings	-	-
The assets and liabilities at 31 March were:		
Fixed assets	3,568	2,961
Current assets	13,679	11,948
Current liabilities	(17,246)	(14,908)
Total Net Assets/(Liabilities)	1	1
Aggregate share capital and reserves	1	1

5. Other Incoming Resources

Other Incoming Resources of £2,249 (2013: £3,499) includes £1,860 (2013: nil) in respect of insurance monies received.

6. Governance Costs

	Unrestricted	Restricted	2014 Total	2013 Total
	£	£	£	£
Auditors' remuneration	9,000	-	9,000	9,000
Accounting and advisory	1,100	-	1,100	1,100
Book-keeping costs	4,902	-	4,902	1,000
Trustees' indemnity insurance	900	-	900	900
Allocated staff costs	15,784	-	15,784	15,450
Total Governance Costs	31,686	-	31,686	27,450

7. Resources Expended on Charitable Activities

	Building Maintenance	Grounds Maintenance	Community Use	2014 Total	2013 Total
	£	£	£	£	£
<u>Direct Costs</u>					
Staff costs	-	29,954	-	29,954	31,976
Grant expenses	-	-	175,933	175,933	-
Fund raising costs	-	-	2,919	2,919	-
Grounds maintenance	-	8,020	-	8,020	5,003
Building maintenance	18,772	-	-	18,772	14,259
Catering supplies	-	-	-	-	1,423
General supplies	-	405	-	405	2,291
Rates and water usage	5,199	1,175	336	6,710	6,217
Cleaning	1,698	283	849	2,830	2,523
Total Direct Costs	25,669	39,837	180,037	245,543	63,692
<u>Allocated Costs</u>					
Staff costs	14,913	1,236	13,677	29,826	87,474
Insurance	8,500	1,800	8,814	19,114	19,091
Legal & Professional Fees	-	-	-	-	3,015
Power, light and heat	4,608	922	12,902	18,432	18,272
Depreciation of fixed assets	182	137	925	1,244	1,971
Sundries	-	-	457	457	3,020
Total Allocated Costs	28,203	4,095	36,775	69,073	132,843
<u>Administration Costs</u>					
Staff costs	9,786	6,475	29,953	46,214	48,110
Printing, postage and stationery	537	179	2,836	3,552	4,034
Advertising and travel	96	32	510	638	440
Telephone	173	58	922	1,153	2,410
Bank and credit card charges	9	3	49	61	-
Total Administration Costs	10,601	6,747	34,270	51,618	69,455
<u>Total Resources Expended on Charitable Activities</u>	64,473	50,679	251,082	366,254	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 2014 £	Group 2013 £	Trust 2014 £	Trust 2013 £
Salaries and Wages	209,522	195,857	101,360	170,478
Social Security Costs	15,072	14,590	7,818	12,532
Total Staff Costs	224,594	210,447	109,178	183,010

None of the Trustees received any emoluments in the current financial year.

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 2014	Group 2013	Trust 2014	Trust 2013
Trading subsidiary employees	7	2	-	-
Maintenance of the Estate buildings	1	2	1	2
Maintenance of the Estate grounds	2	3	2	3
Use of the Estate by the Community	2	3	2	3
Total Employees	12	10	5	8

9. Movement in total funds for the year

	Group 2014	Group 2013	Trust 2014	Trust 2013
	£	£	£	£
This is stated after charging:				
Auditors' remuneration:-				
External audit	10,100	10,100	6,600	6,600
Accountancy and advisory services	-	1,333	-	700
Operating leases for equipment	2,063	2,063	1,103	1,103
Depreciation	3,026	2,750	2,028	1,971

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 2014	Group 2013	Trust 2014	Trust 2013
	£	£	£	£
Trade debtors	13,456	3,907	6,933	1,232
Prepayments and accrued income	7,644	12,258	7,644	12,258
Other Debtors	47,466	-	47,466	-
Receivable from Trading Company	-	-	-	8,475
Total Debtors	68,566	16,165	62,043	21,965

12. Creditors

	Group 2014	Group 2013	Trust 2014	Trust 2013
	£	£	£	£
Trade creditors	54,843	6,225	49,013	5,926
Accruals	16,700	11,100	11,125	7,300
Other creditors	16,427	-	16,427	-
Taxation and social security	4,416	4,075	4,416	4,075
VAT Payable	4,041	1,825	-	-
Deferred Income (note 13)	20,647	29,229	18,847	28,720
Due to Trading Company	-	-	3,511	-
Total Creditors	117,074	52,454	103,339	46,021

13. Deferred Income

	Group 2014 £	Group 2013 £	Trust 2014 £	Trust 2013 £
Balance at 1 April	29,229	18,306	28,720	17,078
Recognised as income during the year	(29,229)	(18,306)	(28,720)	(17,078)
Amount deferred during the year	20,647	29,229	18,847	28,720
Balance at 31 March	20,647	29,229	18,847	28,720

Deferred income comprises amounts received in advance for room bookings and tenants' leases in respect of expenditure to be incurred after 31 March 2014.

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.

	2014 £	2013 £
One year	1,080	80
Between two and five years	-	1,103
Total commitments	1,080	1,183

15. Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Balance at 1 April 2013	2,278	-	-	2,278
Net incomings for the year	(114)	-	-	(114)
Balance at 31 March 2014	2,164	-	-	2,164

16. Purposes of designated funds and restricted funds

The Board aims to have designated funds set aside for future repair work required on the building. The Trustees aim to build up a financial reserve of at least £40,000 as soon as performance allows.

Restricted funds arise when grants or donations are received to be expended on specific items or projects defined by the grantee or donor.

17. Restricted funds

The Trust received grants of £101,687 from Heritage Lottery Fund and Big Parks and £83,333 from London Borough of Barnet, restricted funding during the year to 31 March 2013 (£nil 2013). The grants allowed the Trust to prepare and submit a successful stage 2 submission for redevelopment of the gardens, stables, playground, kiosk and amenities.

18. Related parties

One Trustee of Avenue House Estate Trust, Mel Hooper, was paid and received £nil (2013: £1,000) for accounting services.

No Trustees received reimbursement for expenses incurred, either during 2014 or 2013.

19. Investment in Subsidiary

On 28 March 2006 Avenue House Estate Trust acquired the one issued share, at par value, in Avenue House Services Limited. This private limited company has been set up with an authorised capital of £10,000 to operate those of the Trust's charitable activities which attract Value Added Tax. Any surplus which the company makes is transferred to the Trust under gift-aid. The financial statements relating to its activities are consolidated with those of the Trust in this Group Annual Report and Accounts. A summary of the subsidiary's financial position is shown in Note 4.

20. Tangible assets

Inalienable and historic assets

On 1 November 2002, The Avenue House Estate (TAHE), a charity whose sole trustee is the London Borough of Barnet, granted a 125 year lease to the Charity at a peppercorn rent in respect of the Avenue House Estate. The lease has not been capitalised in the accounts as it is considered too difficult to attribute a value due to the historic nature of Avenue House. In addition, the costs involved in valuing the lease far outweigh any additional benefit derived by users of the accounts in assessing the Trustees' stewardship of the estate.

Avenue House Estate Trust has insured the property and tenants' improvements for £8,000,000. Certain fittings and furnishings are held on trust and are regarded as inalienable property and no value is incorporated in the financial statements. All maintenance and improvement of The Avenue House Estate is the responsibility of Avenue House Estate Trust. All expenditure on the Estate buildings during the year is written off when incurred.

Fixed Assets

	Land & Buildings £	Plant & Equipment £	Fixtures & Fittings £	Office Equipment £	Computer Equipment £	Total £
Cost						
As at 1 April 2013	4,520	21,380	4,912	6,122	15,787	52,721
Additions	-	-	5,599	794	8,700	15,093
Disposals	-	-	-	-	-	-
As at 31 March 2014	4,520	21,380	10,511	6,916	24,487	67,814
Depreciation						
As at 1 April 2013	225	20,410	4,273	4,449	12,124	41,481
Disposals	-	-	-	-	-	-
Charge for the year	45	416	392	508	1,665	3,026
As at 31 March 2014	270	20,826	4,665	4,957	13,789	44,507
Net Book Value						
As at 31 March 2014	4,250	554	5,846	1,959	10,698	23,307
As at 1 April 2013	4,295	970	639	1,673	3,663	11,240

As at 31 March 2014, the Net Book Value of assets owned by Avenue House Services Limited was £2,961 (2013: £2,961). These values are included in the above table.