

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

**Group Annual Report and Accounts**

For the Year ended 31 March 2017

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 2017. This report also contains the directors' report as required by company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's constitution, Companies Act 2006, the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) (effective 1<sup>st</sup> January 2015)

### Reference and Administrative Information

Charity Name: Avenue House Estate Trust

Other name used by the Charity Stephens House & Gardens

Charity Number: 1093908

Company Number: 04099007

Registered Office and  
Operational Address: Avenue House  
17 East End Road  
Finchley  
London N3 3QE

Patron Henry Edmunds

President Michael Gerson

Vice-Presidents Janett Durrant  
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, (resigned Chair 20<sup>th</sup> July 2017)

Mike Conradi

John Lancaster

Julian Trevelyan

Alison Dean (Appointed Chair 20<sup>th</sup> July 2017)

Khalid Ghani

Alessandra Alonso

Stephen Brunning (resigned 1<sup>st</sup> December 2016)

Philip Rubenstein (co-opted 1<sup>st</sup> December 2016)

### Officers

Malcolm Godfrey, General Manager (Key Management Personnel)

Paul Salman, Secretary

### Audit and Accountancy Services Auditor

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, 789 High Road, London, N12 8JX

### Legal Services

Russell Cooke, 2 Putney Hill, London, SW15 6AB

### 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 of AHSL for the year 2016/17 were John Lancaster, Julian Trevelyan and Malcolm Godfrey. AHSL has a licence to operate from the charity's premises and pays the all 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 charities Grief Encounter, Barnet Homestart and Terapia as tenants. The Trust also encourages other charities to use Avenue House for their events and functions, and to join in public events that it, and the Friends of Stephens House & Gardens, organise.

## **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 (121, including the trustees, at 31 March 2017) are each required to contribute a sum not exceeding one pound.

### Organisation

The Board of the Trust 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 2016/17 the Board delegated the management of the charity to its General Manager, Malcolm Godfrey, who has held that post since August 2012. The General Manager controls all routine matters, including all the staff and assets, and is answerable in this role to the Board.

### 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 people 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 volunteers who work in Stephens House & 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.

## Auditor

The Trustees appointed HW Fisher and Company as the company's auditor for 2016/17, 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.

## Responsibilities of the Board

The Trustees, who are also the directors of Avenue House Estate Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor is 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 auditor is aware of that information.

## **Aims and Activities**

### Overall Charitable Aims

Avenue House Estate Trust was established to manage the Avenue House Estate in Finchley in running its grounds as a public garden and its buildings to provide meeting rooms for community purposes and accommodation for charities. The principal aims 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 charity, 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.

### Main Activities undertaken

During 2016/17 the Trust’s main activities were

1. Continuing to trade as a going concern by earning sufficient income from the letting of space in the House to enable it to both meet its financial commitments, and to meet its charitable aims as detailed in the ‘Public Benefit’ section of this report, below
2. Improving the condition of its built estate, both by the delivery of the externally-funded ‘Parks for People’ project, and by working with its tenants Terapia towards delivery of their project to restore the Bothy. Both these improvements help to meet the charity’s objectives.

### Public Benefit Statement (incorporating Activities, projects and services provided)

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’. They have achieved this compliance by:

- The letting of over half of its permanent accommodation to charities,

- Room lettings on an hourly basis to other charities and to the public,
- The maintenance of the grounds and listed buildings for public enjoyment,
- The opening of the Gardens to the public free of charge every day of the year (subject to weather conditions such as high winds)
- Upgrading of the Gardens and the play facilities therein,
- The provision of space for the Stephens' Museum, and
- Provision for educational visits by the public and by schools, including free educational exhibitions

These activities have enabled the Trustees to meet the objectives of the charity for the benefit of the public.

## **Achievements and Performance**

### Achievements

2016/17 has continued the growth of the business, albeit at a slower rate than the previous year. Overall we have seen our unrestricted gross operational revenue grow to £496,787, a 7.5% increase over 2015/16, which itself was 11% better than 2014/15. This reflects the increased donations, plus a 6.5% growth in events side of our business, offset by a 6% drop in rental income.

Our costs have risen by some 8.9%, slightly more than the increase in income, as we have adjusted to our increased business, and prepared for the next expansion into operating the café, which did not open until after the completion of the financial year.

The Trust has reported an increase in its profitability for the last four years, but, although we traded profitably, our commitment to transfer some £10,000 towards the HLF project, and the slight increase in costs, has resulted in us reporting a very small loss of £895 this year. This has resulted in a small drop in our reserves, as reported later

The restricted funding for our 'Parks for People' scheme has continued to produce an increase in our turnover. We received grants of £1,275,143 during 2016/17, an increase of 152% over 2015/16. However, our expenditure of these funds was almost doubled to £1,276,412, a massive increase, as the physical works of the project were carried out. Despite this expenditure, the surplus built up in restricted funds in 2016/17, and the transfer of funds from the unrestricted operation to the restricted funds, means that we retained £26,926 in a restricted reserve at the end of the financial year. Our predictions indicate that we will be able to complete the project with the available funding, although cash flow is an issue that we have to watch very carefully. I cannot thank our consultants and contractors, Project Manager Jon Sheaff, and my colleagues on the Project Board enough for all their effort in taking this project forwards. I must also thank the many people and bodies who have donated to the match funding for this project, including in particular the London Borough of Barnet, Veolia and the Sainsbury Family Trusts

Because of delays in starting the final stage of the works on the 'Parks for People' project we were unable to offer a café service during 2016 and the early part of 2017. Both the Stables Block café and the new kiosk at the playground opened in the summer of 2017, and the café has been very successful, although



the kiosk has been a disappointment: we hope it will do better in the summer of 2018. We expect that the café will make a substantial contribution to our turnover and profit in 2017/18, and beyond.

### Trust Objectives

Six years ago we set ourselves six tactical objectives by which we would achieve our charitable aims. We continue to make progress against these objectives, as listed below:

- Adopt a more open posture

In 2015/16 the Trust invited all those who made a regular financial contribution, or who regularly volunteered, to become members of the Trust. This led to a major increase in membership, and that increase has continued, albeit at a slower rate, in 2016/17. We consider that these changes have made the Trust even more part of the local community than it has been.

Throughout 2016/17 we continued to publish monthly newsletters to our members and supporters, with positive response. We have met with our MP, with local councillors and with other opinion formers, all of whom are very supportive.

We have 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

As my predecessor reported for the last two years, this objective is complete for all of the Estate except for the House itself. We still wish to develop a scheme to upgrade the House itself, which would include a conservation strategy for this building.

During the year we have seen substantial completion of almost all the conservation works in the gardens as a result of these strategies, and restoration of much of Marnock's original landscaping vision. The overwhelming reaction to these works has been positive.

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

Problems with the final funding for the contract delayed the works to the Water Tower and Bothy Garden walls, the final stages of the 'Parks for People' project, beyond the financial year 2016/17. However, these problems were resolved by the end of the financial year and, at the time of writing (October 2017) we have the funds in place for, and have completed the work on, the Water Tower, whilst the work on the Bothy Garden Walls is progressing rapidly. This work completes the physical stages of the 'Parks for People' project which, as reported last year, have cost some £2.75 million. The funding sources are unchanged from those that we reported on last year, apart from a substantial extra private donation, for which we are most grateful.

Terapia's scheme for the restoration of the Bothy is also fully funded, and they started work on site in the autumn of 2016. Although they expected to take two years to fully deliver this project, at a cost of some £2million, the work has advanced rapidly, and they moved into the Bothy in the early autumn of 2017. Whilst the money for the Bothy Project has all been found by Terapia, we note and congratulate them on raising this. In the longer term, it represents a substantial investment in the Trust's assets.

With completion of both these projects, we look forward to Barnet Council and Historic England agreeing to remove the Bothy and the Water Tower from Historic England's 'Buildings at Risk' register.

We have now identified a package of works to upgrade the House, and have started to look at possible funding for this. Given that we have had two recent HLF-funded schemes on the Estate, with a total value of over £5 million, funding this work is going to be a challenge. Some of the work we have identified relates to the inherent condition of the building, and, whilst we have debated with our landlord, the London Borough of Barnet, to see if there is any way that they can assist with funding those works, we have not yet been able to find a way to progress the remaining works that we would like to carry out.

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

With the dismantling of the Friends' organisation last year this objective has taken on a more general nature. Nonetheless, we have continued to receive considerable financial support through our supporters. The amount of donations from standing orders remained static at about £12,000 per annum. Other fundraising events, such as Quiz Nights, the Garden fete and Hallowe'en, plus some substantial individual donations, have increased our total donations income to almost £65,000 in the year, compared with £41,000 in 2015/16 and just under £30,000 in 2014/15. With the completion of the 'Parks for People' project we expect this amount to drop back in 2017/18 to a level more like that seen in previous years. We are most grateful to all our local supporters for their support, which generates this income.

- Encourage the use of volunteers to increase our labour resource

Volunteering is a continuing major input into the work of the Trust, and in the financial year 2016/17 we recorded just under 2,500 hours, a figure that equates to 1.25 extra members of staff, or a 10% increase on top of our permanent staffing. Furthermore, we know this figure is understated: for example we do not have a record of most of the Trustee's voluntary work.

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. The volunteering effort in the Gardens is a major reason why we get regular comments about how good the Gardens now look.

We have also had voluntary help in both marketing and volunteer management, with volunteers working in the House to both develop events and recruit and administer our 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. Those we have run in the last year have proved most popular.

Our volunteer learning and outreach officer, Melanie Wynyard, who is funded from the 'Parks for People' project, has helped us increase volunteer activity in all parts of the House & Gardens.

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 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

The closure of the formal Friends organisation has meant that this objective is now subsumed into the previous two.

The Trustees reviewed the strategic objectives in the current financial year, and felt that the first five headings remain valid, although the actions being carried out under them have developed and changed considerably over the last six years.

### Risk Management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiary Avenue House Services Ltd face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is an up-dated strategic plan including budgetary control and a regular review of performance and appropriate actions including available liquid

funds to settle debts as they fall due and active management of trade debtors and creditors balances to ensure sufficient working capital by the Trust and its subsidiary company.

The Board is 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 recommendations and advertising. The Board also has a list of potential replacement tenants in case any current tenant serves notice.

A key concern is key man risk and the Board has identified steps required to minimise any disruption to business operations. The Boards reviews the trustee representation and generally keeps open a trustee position to ensure flexibility if additional skills are required.

Attention has also been focussed on non-financial risks arising from fire, health and safety of customers and staff (including food hygiene). These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas. Our food hygiene risk reduction has been much strengthened by the appointment of a catering manager, Christine Becks, thus relieving the General Manager of the day to day supervision of our catering activities

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 recompense of expenses incurred from the Trust. I am most grateful to my colleagues for the activities they undertake for us, and that they cover all the costs of these themselves.

### Pensions

The Trust offers its staff a Defined Contribution pension scheme, in line with current legislation. This scheme is independently managed by NEST, the government's workplace pension scheme, so there is no risk to the Trust of a material deficit arising.

### Health and Safety

The 1974 Health and Safety at Work Act lays a 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.

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. Health and Safety remains the first item on our Board meeting agenda.

A particular improvement in Health and Safety terms has been the work on the paths in the Gardens under the 'Parks for People' project. On completion of this work the risk to park users from tripping will be greatly reduced.

We had no reportable accidents to staff or public during the financial year.

### Pay and Remuneration of key management personnel

The pay of the General Manager, and any bonus payment, are decided by the Board of Trustees, usually following a recommendation from the Chairman of the Trustees.

### **Financial Review**

#### Financial Position at the end of the Reporting Period

As reported above the Trust made a surplus of £9,105 in 2016/7 on its unrestricted activities, and had to draw £895 from its unrestricted reserve to be able to honour its commitment to put £10,000 towards the 'Parks for People' project. On its restricted funds the Trust spent £7,591 less on the 'Parks for People' project than it received in grants and donations: with the £10,000 transfer from the unrestricted funds, there remained a healthy balance of £26,926 in the restricted reserve.

The Trust held a cash balance at the end of the 2016/7 year of £35,866 , plus further debtors of £29,568. Total current assets were thus £65,434. The reduction in this figure from £167,374 at the end of the 2015/16 financial year is caused by the delivery of the 'Parks for People' programme in the year. Creditors falling due within a year total £53,417 compared with £168,335 a year ago. This figure is mainly trade creditors. The Trust thus ended the year with net current assets of £12,017, a vast improvement on the previous year's net current liability of £961.

## Reserves Policy

The Trustees remain of the opinion that the maintenance of a number of historic buildings requires an unrestricted 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 an unrestricted reserve remains at £40,000. At the start of the 2016/17 financial year the unrestricted reserves stood at £8,385, almost doubling the position from the previous year. However, the need to transfer £10,000 to restricted funds meant that the Trustees had to draw down £895 from the unrestricted reserves this year, leaving a final figure of £7,490. 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. Completion of the 'Parks for People' project, and the subsequent end of the need to transfer monies to the restricted reserve, should allow the unrestricted funds to grow more rapidly after this year.

At the end of the 2016/17 financial year, the Trust also held a restricted reserve for the 'Parks for People' project of £26,926. This reserve should all be used towards the project during 2017/18, and we expect the restricted reserve to be exhausted by the end of this financial year. This is a year later than previously predicted, due to the delays in letting the final contracts for the project.

## Going concern

The Trustees have no concerns about the ability of the Trust to continue to operate as a going concern. They are aware of no issues that are not covered in this report that could affect the financial position going forward.

## **The Future**

The Trustees have considered the future direction of the Trust, and intend to continue to follow the present strategy of improving the profitability of the business so as to ensure the on-going maintenance of its infrastructure in a fit state to deliver its charitable objectives. Key to this is building up the Trust's unrestricted reserves, and ensuring that the condition of the main House building is improved to a state that is similar to the rest of the Estate, now that all the other buildings and the Gardens have been upgraded.

## Conclusion

In closing this report I must offer my thanks, and those of my fellow trustees, to Andy Savage for all his work during his tenure as both Chairman and Trustee. His leadership and determination have seen the Trust through a difficult time. The work he did through the 'Parks for People' project has been invaluable and without his fundraising skills and personal commitment we would not have been able to achieve what I hope you all will agree, is a magnificent result. The work completed on the buildings, the gardens and the infrastructure is something that I feel Henry 'Inky' Stephens himself would have been proud of when he left Avenue House "...for the use and enjoyment always of the public...".

Next I must thank our General Manager Malcolm Godfrey, who works tirelessly in every area to build the business with the wonderful staff who support him in his work to keep the house and gardens looking at their best and to offer a professional service to the public and our customers, both long term and event hires.

Then there are you, our supporters and volunteers. Without your invaluable help it would be hard to keep the House and Gardens looking beautiful. These activities range from all the work of volunteer gardeners to help maintain the 10 acres to those who spend an hour or two picking litter. There are those who help to steward events, run guided tours or help in the beautiful new visitor centre where the Stephens museum is now housed. Thank you all.

Finally to my fellow Trustees and trust officers whose guidance in my new role as Chairman I greatly appreciate, for all the additional support they give to the estate from litter-picking and gardening to legal and financial guidance.

It has been an interesting period of adjustment for me while stepping into the role as Chairman of the Trust and understanding the full scale of work it entails. I am fortunate to be moving into place as the most often made comment I hear from the public is "I love what has been done to the estate". I hope that this trend continues during my tenure as Chairman.

Approved by the Board 2<sup>nd</sup> November 2017, and signed on its behalf by:



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**Alison Dean, Chair**

## **Independent Auditor's Report to the Members of Avenue House Estate Trust**

We have audited the accounts of Avenue House Estate Trust for the year ended 31st March 2017 set out on pages 16 - 27. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditor**

As explained more fully in the Statement of Trustees responsibilities on page 4, 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 Auditing (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 accounts 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 charitable company's financial affairs as at 31<sup>st</sup> March 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared according to the Companies Act 2006.



**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared, is consistent with the accounts, and the Directors' Report, included within the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report included within the Trustees' Report.

**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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; 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.

*H W Fisher & Company*

**Andrew Rich (Senior Statutory Auditor)**  
for and on behalf of H W Fisher & Company

**Chartered Accountants**

**Statutory Auditor**

Acre House

11-15 William Road

NW1 3ER

United Kingdom

**Consolidated Statement of Financial Activities (including Income and Expenditure Account)**  
**for the year ending 31 March 2017**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
<b><u>Incoming and endowments from</u></b>					
<b>Donations and legacies:</b>					
Grants received	2,17	-	1,275,143	1,275,143	504,352
Donations	3	55,718	8,860	64,578	41,001
		<u>55,718</u>	<u>1,284,003</u>	<u>1,339,721</u>	<u>545,353</u>
<b>Other trading activities:</b>					
Commercial trading activities	5	334,127	-	334,127	313,877
<b>Income from charitable activities:</b>					
Rents and service charge		106,897	-	106,897	113,602
<b>Other income:</b>					
Interest income	4	45	-	45	53
<b>Total income and endowments</b>		<u>496,787</u>	<u>1,284,003</u>	<u>1,780,790</u>	<u>972,885</u>
<b>Expenditure on raising funds</b>					
Cost of commercial trading operations	5	275,717	-	275,717	218,125
<b>Expenditure on charitable activities</b>					
Maintenance and use of the estate	6	211,965	1,276,412	1,488,377	846,111
<b>Total expenditure</b>		<u>487,682</u>	<u>1,276,412</u>	<u>1,764,094</u>	<u>1,064,236</u>
<b>Net income/(expenditure)</b>		<u>9,105</u>	<u>7,591</u>	<u>16,696</u>	<u>(91,351)</u>
Transfers between funds		(10,000)	10,000	-	-
<b>Net movement of funds in the year</b>	9	<b>(895)</b>	<b>17,591</b>	<b>16,696</b>	<b>(91,351)</b>
<b>Total funds at 1 April</b>		8,385	9,335	17,720	109,071
<b>Total funds at 31 March</b>		<u>7,490</u>	<u>26,926</u>	<u>34,416</u>	<u>17,720</u>

**Consolidated Balance Sheet as at 31 March 2017**

	Notes	Group 2017 £	Group 2016 £	Trust 2017 £	Trust 2016 £
<b>Fixed Assets</b>					
Investment in Subsidiary	19	-	-	1	1
Tangible assets	20	31,146	29,230	22,398	18,680
<b>Total Fixed Assets</b>		<b>31,146</b>	<b>29,230</b>	<b>22,399</b>	<b>18,681</b>
<b>Current Assets</b>					
Stocks of food and beverages		10,772	9,400	-	-
Debtors	11	34,028	67,644	29,955	63,106
Cash at bank and in hand		47,530	119,438	35,866	104,268
<b>Total Current Assets</b>		<b>92,330</b>	<b>196,482</b>	<b>65,821</b>	<b>167,374</b>
<b>Creditors:</b>					
Amounts falling due within one year	12,13	89,060	207,992	53,417	168,335
<b>Net Current Assets/(Liabilities)</b>		<b>3,270</b>	<b>(11,510)</b>	<b>12,404</b>	<b>(961)</b>
<b>Total Net Assets</b>	15	<b>34,416</b>	<b>17,720</b>	<b>34,803</b>	<b>17,720</b>
<b>Unrestricted funds</b>					
Designated Funds	15,16	-	-	-	-
General Funds	15	7,490	8,385	7,877	8,385
		7,490	8,385	7,877	8,385
<b>Restricted Funds</b>	15,16,17	26,926	9,335	26,926	9,335
<b>Total Funds</b>		<b>34,416</b>	<b>17,720</b>	<b>34,803</b>	<b>17,720</b>

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 19 to 27 form part of these accounts.

Approved by the Board of Directors on 2<sup>nd</sup> November 2017 and signed on its behalf by:



**Alison Dean**  
Chair

Company Registration Number 04099007 England and Wales

**Consolidated Statement of Cash Flows for the year ending 31 March 2017**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>
<b>Cash flows from operating activities</b>		
<b>Net movement in funds</b>	16,696	(91,351)
<b>Adjustment for:</b>		
Depreciation charge	6,737	5,869
(Increase)/decrease in stocks	(1,372)	(3,000)
(Increase)/decrease in debtors	33,616	(50,381)
Increase/(decrease) in creditors	(118,932)	140,017
<b>Net cash provided by operating activities</b>	<u>(63,255)</u>	<u>1,154</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(8,653)	(6,813)
<b>Net cash used in investing activities</b>	<u>(8,653)</u>	<u>(6,813)</u>
<b>Change in cash and cash equivalents</b>	<b>(71,908)</b>	<b>(5,659)</b>
<b>Cash and cash equivalents at start of year</b>	<b>119,438</b>	<b>125,097</b>
<b>Cash and cash equivalents at end of year</b>	<b>47,530</b>	<b>119,438</b>

All cash and cash equivalents are held in the groups current accounts and are accessible on demand

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**Notes forming part of the Consolidated Financial Statements  
for the year ended 31 March 2017**

**1. Accounting Policies**

- a) Avenue House Estate Trust is a charitable company limited by guarantee registered in England and Wales. The registered office is Avenue House, 17 East End Road, Finchley, London, N3 3QE.
- b) The financial statements have been prepared under the historical cost convention in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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 incoming resources for the year for the charity were £17,083. (2016: net outgoing resources of £91,351)

- c) The Trustees' have considered the going concern of the Trust and at the time of approving the financial statements the Trustees' have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the financial statements.
- d) The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.
- e) 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.
- f) 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.
- g) 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.
- h) 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.
- i) 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.

- j) 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.
- k) The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the becomes party to the contractual provisions of the instrument

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

- l) Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit and loss
- m) Any fixed assets purchased for more than £500 are capitalised and recognised at cost.
- n) 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.
- o) Stocks of food and beverages are stated at the lower of cost and net realisable value
- p) Trade debtors and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments and accruals are valued at the amount prepaid net of any trade discounts due.
- q) Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- r) Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- s) Deferred income comprises amounts received in advance in respect of rental and room hire.
- t) 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.

- u) 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.
- v) 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.
- w) 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.
- x) 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.
- y) In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The Trustees are satisfied that there are no significant accounting estimates or judgements in the financial statements

## 2. Grants received

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
Heritage Lottery Funding	-	1,229,603	1,229,603	369,644
London Borough of Barnet	-	5,000	5,000	104,167
Veolia Environment Trust		25,000	25,000	25,000
Others	-	15,540	15,540	5,541
<b>Total Grants</b>	<b>-</b>	<b>1,275,143</b>	<b>1,275,143</b>	<b>504,352</b>

All of the 2016 grants received were restricted funds

## 3. Donations and legacies

	Unrestricted	Restricted	2017 Total	2016 Total
	£	£	£	£
General donations	49,826	7,610	57,436	36,281
Gift Aid recoverable	5,892	1,250	7,142	4,720
<b>Total Donations and legacies</b>	<b>55,718</b>	<b>8,860</b>	<b>64,578</b>	<b>41,001</b>

In 2016 £34,751 was unrestricted funds and £6,250 restricted funds.

## 4. Other Income

Other income of £45 (2016: £53) is unrestricted funds.

## 5. 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 of its profits to the Trust under gift aid.

Summary of Trading Results	2017	2016
	£	£
<b>Turnover</b>	<b>334,127</b>	<b>313,877</b>
Cost of sales and administration expenses	( 275,717)	( 218,125)
Rent paid to the Trust	( 49,400)	( 55,000)
<b>Net Profit</b>	<b>9,010</b>	<b>40,752</b>
Amount gift aided to the Trust	9,397	40,752
<b>Retained earnings</b>	<b>(387)</b>	-
<b>The assets and liabilities at 31 March were:</b>		
Fixed assets	8,749	10,550
Current assets	31,662	41,892
Current liabilities	( 40,797)	( 52,441)
<b>Total Net Assets/(Liabilities)</b>	<b>(386)</b>	<b>1</b>
<b>Aggregate share capital and reserves</b>	<b>(386)</b>	<b>1</b>

## 6. Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
	£	£	£	£
HLF park project	-	1,232,249	1,232,249	616,214
Maintenance and repairs	19,154	-	19,154	19,229
Staff costs	39,225	44,163	83,388	76,445
Fund raising and advertising	10,974	-	10,974	10,282
Utilities, water and rates	26,550	-	26,550	25,684
Cleaning	3,973	-	3,973	3,802
Insurance	20,883	-	20,883	19,849
Legal costs	11,913	-	11,913	-
Support Costs (see note 7)	71,992	-	71,992	70,256
Depreciation	3,937	-	3,937	3,485
Communications and printing	3,307	-	3,307	865
Other	57	-	57	-
<b>Total</b>	<b>211,965</b>	<b>1,276,412</b>	<b>1,488,377</b>	<b>846,111</b>

Expenditure on charitable activities was £1,488,377 (2016: £846,111) of which £211,965 was unrestricted (2016: £229,897) and £1,276,412 was restricted (2016: £616,214).



## 7. Support Costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	General support £	Governance £	Total £	Basis of apportionment
Auditor's remuneration	-	5,400	5,400	Invoice
Accounting	-	2,788	2,788	Invoice
Allocated staff costs	42,202	17,159	59,361	Time spent
Other	3,543	900	4,443	Invoice and usage
<b>Total</b>	<b>45,745</b>	<b>26,247</b>	<b>71,992</b>	

All support cost are from unrestricted funds. Auditor's remuneration is solely audit fees for both years.

## 8. Staff costs and numbers

	Group 2017 £	Group 2016 £	Trust 2017 £	Trust 2016 £
Salaries and Wages	258,902	239,285	126,437	126,366
Social Security Costs	19,973	15,811	10,613	8,375
Pension Costs	436	-	264	-
<b>Total Staff Costs</b>	<b>279,311</b>	<b>255,096</b>	<b>137,314</b>	<b>134,741</b>

None of the Trustees received any emoluments including expenses in the current financial year (2016:nil)

No employee received emoluments of more than £60,000 from this employment. Members of staff joined the stakeholder pension scheme of the charity in 2017. The key management personnel of the parent charity and the trading company is the general manager and the total employee benefits of the key management personnel was £46,764 (2016: £44,442)

The average number of employees during the year was as follows:

	Group 2017	Group 2016	Trust 2017	Trust 2016
Trading subsidiary employees	9	8	-	-
Trust employees	6	5	6	5
<b>Total Employees</b>	<b>15</b>	<b>13</b>	<b>6</b>	<b>5</b>

**9. Movement in total funds for the year**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Trust 2017 £</b>	<b>Trust 2016 £</b>
This is stated after charging:				
Auditor's remuneration:-				
External audit	8,930	8,400	5,400	5,400
Operating leases for equipment	1,775	1,775	1,775	1,775
Depreciation	6,737	5,869	3,937	3,485

**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**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Trust 2017 £</b>	<b>Trust 2016 £</b>
Trade debtors	16,677	58,348	9,777	43,469
Other debtors	3,250	-	3,250	-
Prepayments and accrued income	14,101	9,296	11,774	6,854
Receivable from Trading Company	-	-	5,154	12,783
<b>Total Debtors</b>	<b>34,028</b>	<b>67,644</b>	<b>29,955</b>	<b>63,106</b>

**12. Creditors**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Trust 2017 £</b>	<b>Trust 2016 £</b>
Trade creditors	23,162	133,712	12,627	124,614
Accruals	15,045	18,054	10,326	13,169
Taxation and social security	6,651	4,074	6,651	4,074
VAT Payable	5,300	5,188	-	-
Deferred Income (note 13)	38,902	46,964	23,813	26,478
<b>Total Creditors</b>	<b>89,060</b>	<b>207,992</b>	<b>53,417</b>	<b>168,335</b>

**13. Deferred Income**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Trust 2017 £</b>	<b>Trust 2016 £</b>
Balance at 1 April	46,964	28,348	26,468	26,468
Recognised as income during the year	(46,964)	(28,348)	(26,468)	(26,468)
Amount deferred during the year	38,902	46,964	23,813	26,478
<b>Balance at 31 March</b>	<b>38,902</b>	<b>46,964</b>	<b>23,813</b>	<b>26,478</b>

Deferred income comprises amounts received in advance for room bookings and tenants' leases in respect of expenditure to be incurred after 31 March 2017.

**14. Operating Lease Commitments**

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

	<b>2017 £</b>	<b>2016 £</b>
One year	1,775	1,775
Between two and five years	2,663	4,438
<b>Total commitments</b>	<b>4,438</b>	<b>6,213</b>

**15. Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Fund balances as 31 March 2017 are represented by:			
Tangible Fixed Assets	31,146	-	31,146
Current Assets	60,006	32,324	92,330
Creditors: amounts falling due within one year	(83,662)	(5,398)	(89,060)
	<b>7,490</b>	<b>26,926</b>	<b>34,416</b>

## **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. There are no monies in designated funds at 31 March 2017.

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 during the year of £1,275,143 (2016: £504,352) with details of the main donors shown in note 2. The total amount expended during the year was £1,276,412 (2016: £616,214). All the grants are restricted funding and allowed the Trust to continue work on the redevelopment of the gardens, stables, playground, kiosk and amenities which will be completed in 2018. In addition £10,000 was transferred from unrestricted funds being a contribution to the redevelopment works. The amount carried forward at 31 March 2017 is £26,926.

## **18. Related parties**

There were no related party transactions to disclose (2016: none)

## **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, company registration number 05754424. This private limited company was 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 5.

## **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

	<b>Land &amp; Buildings</b>	<b>Plant &amp; Equipment</b>	<b>Fixtures &amp; Fittings</b>	<b>Office Equipment</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
As at 1 April 2016	4,520	26,158	20,102	7,275	27,269	85,324
Additions	-	6,955	1,318	380		8,653
<b>As at 31 March 2017</b>	<b>4,520</b>	<b>33,113</b>	<b>21,420</b>	<b>7,655</b>	<b>27,269</b>	<b>93,977</b>
<b>Depreciation</b>						
As at 1 April 2016	362	21,945	7,600	6,120	20,067	56,094
Charge for the year	45	1,935	1,459	634	2,664	6,737
<b>As at 31 March 2017</b>	<b>407</b>	<b>23,880</b>	<b>9,059</b>	<b>6,754</b>	<b>22,731</b>	<b>62,831</b>
<b>Net Book Value</b>						
<b>As at 31 March 2017</b>	<b>4,113</b>	<b>9,233</b>	<b>12,361</b>	<b>901</b>	<b>4,538</b>	<b>31,146</b>
As at 1 April 2016	4,158	4,213	12,502	1,155	7,202	29,230

As at 31 March 2017, the Net Book Value of assets owned by Avenue House Services Limited was £8,749 (2016: £10,550). These values are included in the above table.