

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

Group Annual Report and Financial Statements

For the Year ended 31 March 2019

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 31 March 2019. This report also contains the directors' report as required by company law.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's constitution, the 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).

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:

Alison Dean
Mike Conradi
John Lancaster
Julian Trevelyan
Khalid Ghani
Alessandra Alonso
Philip Rubenstein
Simon Shaer (co-opted October 2018)

Officers

Malcolm Godfrey, General Manager (Key Management Personnel)
Paul Salman, Secretary

Audit and Accountancy Services Auditors

HW Fisher, 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

Human Resources and Health & Safety

Citation, Kings Court, Water Lane, Wilmslow, SK9 5AR

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 2018/19 were John Lancaster, Julian Trevelyan and Malcolm Godfrey. AHSL has a licence to operate from the charity's premises and pays 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 delivers 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 organises.

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 (159, including the trustees, at 31 March 2019) 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 2018/19 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 is chosen in consultation with 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 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 always an item relating to governance standards on each Board agenda.

Auditors

The Trustees appointed HW Fisher as the company's auditors for 2018/19, 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.

Statement of Trustees' Responsibilities

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 financial statements 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".

A combination of Company law and Charity 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 are required to:

- 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 enable 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.

So far as each person who was a director at the date of approving this report is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves 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 2018/19 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, with the delivery of the externally-funded ‘Parks for People’ project.

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,

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- 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 adverse weather conditions)
 - Maintaining the Gardens and the play facilities therein,
 - The provision of space for the Stephens' Collection 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

The café has been successful and the positive contribution to the financial performance can be seen below. The kiosk at the playground was forced to close due to an issue with the drains. We hope that is soon to be resolved and the kiosk will be able to reopen.

The business in 2018/19 has continued to grow. We have seen our unrestricted gross operational revenue grow to £600,063 from £554,394, an 8.2% increase over 2017/18, which itself was 11.6% better than 2016/17. This reflects an increase in catering side of our business with a full year contribution from the café which opened in July 2017. Rental income of £108,055 increased by 8.6% as we looked to maximise rental opportunities. The increase in business was partially offset by lower level of grants received in 2018/19.

Costs have risen by some 6.0%, less than the increase in income, as we have adjusted to the new business mix with the opening of the café. The cost increase is primarily in catering supplies and salary costs in running the café for a full year in 2018/19. The general manager has, during year, carefully monitored the operating costs and made adjustments where required.

The Trust shows a £5,902 profit in the year. Unrestricted reserves increased to £14,532.

The restricted income of £118,714 reduced from £337,719 a decrease of 64.8%. This is primarily as the funding for our 'Parks for People' scheme has slowed significantly in 2018/19 as the majority of the works was completed in previous years. However, our expenditure was £118,527 a decrease of 66.6%, as the majority of works of the project were carried out in prior years. Cash flow continues to be the principle issue in the final stages of delivering the Parks for People project. The Trust obtained short term loans to manage the timing differences between expenditure and receiving the final grant.

Trust Objectives

Eight 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

Initiatives in respect of membership have seen the numbers continue to increase slowly throughout the year. The Trust constantly seeks opportunities to encourage local membership.

We continued to publish monthly newsletters to our members and supporters, with positive response. We continue to liaise with local councillors and with other opinion formers, all of whom are very supportive.

Trustees remain ever visible on the Estate so that the users can discuss matters with them. The presence of the Trust on social media has had a positive effect on promotion of our aims, and general feedback is that the Estate is seen as a welcoming and open place with good scores on platforms such as Trip Advisor and Google My Business.

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

With the exception of the House our strategy moves to one of continued conservation by regular and routine maintenance and the implementation of a future strategy in this respect.

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

The Trust continued to seek new grant opportunities in support of the final stages of the Parks for People project.

Barnet Council and Historic England have now removed the Bothy and the Water Tower from Historic England's 'Buildings at Risk' register.

- Actively seek financial support from the people of Finchley

Members of the board work closely with the local community to encourage initiatives that deliver continued financial support. This year we celebrated 100 years of the bequest with our 100 in 100 wall. This raised around £15,000. The amount of donations from standing orders has dropped to around £7,500 per annum. Together with other fundraising events, such as Yoga, Gin Club, Quiz Nights, the Egg Hunt, Garden fete and Hallowe'en, plus some substantial individual amounts, saw total donations income of £59,882 in the year, compared with £53,602 in 2017/18. We are most grateful to all our local supporters for their continued support, which generates this income.

- Encourage the use of volunteers to increase our labour resource

Volunteering continues to be a major input into the work of the Trust, and in the financial year 2018/19 we recorded nearly 23 hundred hours. 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 volunteer management, with volunteers working in the House to both develop events, recruit and administer our volunteers, and enhance the Stephens Collection Museum.

We are most grateful to all our volunteers, and would like to develop the activity. It remains our aim to have a volunteer-run information point for visitors, and to encourage volunteers to lead guided tours on the Estate. Those we have run by staff 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, all of whom put in a vast amount of unsung work for us.

The Trustees keep the strategic objectives under review.

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.

Financial sustainability continues to be 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. A constant review of our room hire charges and tenant rents has ensured a stronger future for the business.

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. This has been strengthened by the appointment of Citation as consultants in Health and Safety and Human Resources.

The Trustees submit an annual 'conflict of interest' and 'disqualification' (a new requirement by the Charities Commission) 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.

The General Manager also completes a 'disqualification' declaration.

Document CC8 and the relevant checklist have been used in the writing of this report.

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. The Trust has public liability insurance to mitigate the risk.

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 profit of £5,902 in 2018/19 on its unrestricted activities.

On its restricted funds the Trust made a small surplus of £187 on the 'Parks for People' project. The restricted reserve balance at the beginning of the year was a deficit of £1,907 leaving a deficit of £1,720 at the end of 2018/19. This deficit is a result of timing differences between expenditure made and grants received which will reverse by the end of the project.

The trust at the end of 2018/19 has fixed assets of £50,764 of which £10,124 is Inky Stephens artefacts. The Trust held cash balances of £32,104, stocks of £9,287 and debtors of £52,104. Total current assets were £93,495 an increase from £61,519 at the end of the 2017/18. Creditors falling due within a year total £131,447 compared with £113,279 a year ago. This figure is mainly trade creditors, loans, accruals and deferred income. The Trust ended the year with net assets of £12,812. The main movements above are due to the Trust accepting loans to cover final expenditure for the delivery of the 'Parks for People' programme in the next year ahead of the final grant being received on completion of the project.

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 2018/19 financial year the unrestricted reserves stood at £8,630. At the end of the financial year the unrestricted reserve was £14,532. 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.

At the end of the 2018/19 financial year, the Trust also held a restricted reserve for the 'Parks for People' project of £(1,720). The deficit is primarily due to timing of payments and grant drawdown. We expect this reserve to be broadly zero by the end of the project in 2019/20 once the "Parks for People" is fully signed off as complete.

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 I thank all the staff. Malcolm Godfrey our General Manager still works tirelessly to improve our visitors experience and keep the business running, as well as carrying out a lot of the maintenance around the house and gardens. Christine Becks, our Catering Manager who along with her other duties has made the café such a success. Melanie Wynyard our Learning and Outreach Officer who has delivered a diverse range of events throughout the year along with her duties to volunteers and the Stephens Collection. All the staff in the house who work behind the scenes. The gardening team have had another challenging year but I feel that the gardens are looking better than ever before. Testament to the Green Flag Award we received in the summer.

Our members, supporters and volunteers. Although our number of volunteers has reduced the number of hours has increased so we must be doing something right but we would like to increase our pool of volunteers.

Finally, I would like to thank my fellow trustees and trust officers who have helped me throughout the year. Their support and help has been invaluable.

Approved by the Board ²⁸ January 2020, 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

Opinion

We have audited the financial statements of Avenue House Estate Trust (the parent 'charity') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Group Statement of Cash Flows and the notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Parent charitable company's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources, 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 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, 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 financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Rich (Senior Statutory Auditor)
for and on behalf of HW Fisher

Chartered Accountants

Statutory Auditor

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

28/1/20

Consolidated Statement of Financial Activities (including Income and Expenditure Account)
for the year ending 31 March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<u>Income from</u>					
Donations and legacies:					
Grants received	2,17	10,606	101,813	112,419	360,899
Donations	3	42,981	16,901	59,882	53,602
		<u>53,587</u>	<u>118,714</u>	<u>172,301</u>	<u>414,501</u>
Other trading activities:					
Commercial trading activities	5	438,419	-	438,419	374,150
Income from charitable activities:					
Rents and service charge		108,055	-	108,055	99,445
Other income:					
Interest income	4	2	-	2	17
Total income		<u>600,063</u>	<u>118,714</u>	<u>718,777</u>	<u>888,113</u>
Expenditure on raising funds					
Cost of commercial trading operations	5	393,286	-	393,286	322,602
Expenditure on charitable activities					
Maintenance and use of the estate	6	200,875	118,527	319,402	593,204
Total expenditure		<u>594,161</u>	<u>118,527</u>	<u>712,688</u>	<u>915,806</u>
Net income/(expenditure)		<u>5,902</u>	<u>187</u>	<u>6,089</u>	<u>(27,693)</u>
Transfers between funds		-	-	-	-
Net movement of funds in the year	9	5,902	187	6,089	(27,693)
Total funds at 1 April		8,630	(1,907)	6,723	34,416
Total funds at 31 March		<u>14,532</u>	<u>(1,720)</u>	<u>12,812</u>	<u>6,723</u>

Consolidated Statement of Financial Activities (including Income and Expenditure Account)
for the year ending 31 March 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
<u>Income from</u>				
Donations and legacies:				
Grants received	2,17	40,680	320,219	360,899
Donations	3	40,102	13,500	53,602
		<u>80,782</u>	<u>333,719</u>	<u>414,501</u>
Other trading activities:				
Commercial trading activities	5	374,150	-	374,150
Income from charitable activities:				
Rents and service charge		99,445	-	99,445
Other income:				
Interest income	4	17	-	17
Total income		<u>554,394</u>	<u>333,719</u>	<u>888,113</u>
Expenditure on raising funds				
Cost of commercial trading operations	5	322,602	-	322,602
Expenditure on charitable activities				
Maintenance and use of the estate	6	237,902	355,302	593,204
Total expenditure		<u>560,504</u>	<u>355,302</u>	<u>915,806</u>
Net income/(expenditure)		<u>(6,110)</u>	<u>(21,583)</u>	<u>(27,693)</u>
Transfers between funds		7,250	(7,250)	-
Net movement of funds in the year	9	1,140	(28,833)	(27,693)
Total funds at 1 April		7,490	26,926	34,416
Total funds at 31 March		<u>8,630</u>	<u>(1,907)</u>	<u>6,723</u>

Consolidated and Charity Balance Sheets as at 31 March 2019

	Notes	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Fixed Assets					
Investment in Subsidiary	19	-	-	1	1
Tangible assets	20	40,640	48,909	27,142	32,954
Heritage Assets	21	10,124	9,574	10,124	9,574
Total Fixed Assets		50,764	58,483	37,267	42,529
Current Assets					
Stocks of food and beverages		9,287	8,587	-	-
Debtors	11	52,104	46,443	39,383	38,340
Cash at bank and in hand		32,104	6,489	24,089	2,000
Total Current Assets		93,495	61,519	63,472	40,340
Creditors:					
Amounts falling due within one year	12	131,447	113,279	91,758	76,807
Net Current Assets/(Liabilities)		(37,952)	(51,760)	(28,286)	(36,467)
Total Net Assets	15	12,812	6,723	8,981	6,062
Unrestricted funds					
Designated Funds	15,16	-	-	-	-
General Funds	15	14,532	8,630	10,701	7,969
		14,532	8,630	10,701	7,969
Restricted Funds	15,16,17	(1,720)	(1,907)	(1,720)	(1,907)
Total Funds		12,812	6,723	8,981	6,062

As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented in respect of the parent charity. The profit for the financial year for the parent only is £2,919 (2018: loss £28,742)

Approved by the Board of Directors on 21 January 2020 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 2019

	Group 2019 £	Group 2018 £
Cash flows from operating activities		
Net movement in funds	6,089	(27,693)
Adjustment for:		
Depreciation charge	8,736	8,637
(Increase)/decrease in stocks	(700)	2,185
(Increase)/decrease in debtors	(5,661)	(12,415)
Increase/(decrease) in creditors	18,168	24,219
Net cash provided by operating activities	26,632	(5,067)
Cash flows from investing activities		
Purchase of tangible fixed assets	(467)	(27,924)
Purchase of heritage assets	(550)	(8,050)
Net cash used in investing activities	(1,017)	(35,974)
Change in cash and cash equivalents	25,615	(41,041)
Cash and cash equivalents at start of year	6,489	47,530
Cash and cash equivalents at end of year	32,104	6,489

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

Notes to the Consolidated Financial Statements for the year ended 31 March 2019

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) (as amended for accounting periods commencing from 1 January 2016) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011. The group is a Public Benefit Entity as defined in FRS 102.

Consolidated financial statements 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.408 Companies Act 2006 and has not prepared a separate Statement of Financial Activities for the charity.

- 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, 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) Heritage assets have all been acquired since 1 August 1999 and are capitalised at cost. Heritage assets are not depreciated since their long economic life and high residual value mean any depreciation would not be material.
- p) Stocks of food and beverages are stated at the lower of cost and net realisable value
- q) 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.
- r) 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.
- s) 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.
- t) Deferred income comprises amounts received in advance in respect of rental and room hire.

- u) 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.
- v) 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.
- w) 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.
- x) 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.
- y) 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.
- z) 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	2019 Total	2018 Total
	£	£	£	£
Heritage Lottery Funding	10,606	101,813	112,419	350,377
Big Lottery Fund	-	-	-	4,455
Others	-	-	-	6,067
Total Grants	10,606	101,813	112,419	360,899

In 2018 grants of £40,680 were unrestricted and £320,219 were restricted funds

3. Donations and legacies

	Unrestricted	Restricted	2019 Total	2018 Total
	£	£	£	£
General donations	40,094	16,094	56,188	47,596
Gift Aid recoverable	2,887	807	3,694	6,006
Total Donations and legacies	42,981	16,901	59,882	53,602

In 2018 £40,102 was unrestricted funds and £13,500 restricted funds.

4. Other Income

Other income of £2 (2018: £17) 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 donations.

Summary of Trading Results	2019	2018
	£	£
Turnover	438,419	374,149
Cost of sales and administration expenses	(393,286)	(322,601)
Rent paid to the Trust	(41,963)	(50,500)
Net Profit	3,170	1,048
Retained earnings brought forward	661	9,010
Gift aid donations	-	(9,397)
Retained earnings	3,831	661
 The assets and liabilities at 31 March were:		
Fixed assets	13,499	15,955
Current assets	35,382	21,309
Current liabilities	(45,049)	(36,602)
Total Net Assets/(Liabilities)	3,832	662
 Aggregate share capital and reserves	3,832	662

6. Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
HLF park project	-	73,367	73,367	314,605
Maintenance and repairs	12,180	-	12,180	26,468
Staff costs	47,125	39,321	86,446	118,644
Fund raising and advertising	9,779	-	9,779	7,558
Utilities, water and rates	32,383	-	32,383	30,275
Cleaning	7,299	-	7,299	4,219
Insurance	19,148	-	19,148	18,450
100 in 100 campaign	-	5,839	5,839	-
Support costs (see note 7)	66,422	-	66,422	65,833
Depreciation	5,812	-	5,812	5,139
Communications and printing	727	-	727	2,013
Other	-	-	-	-
Total	200,875	118,527	319,402	593,204

Expenditure on charitable activities was £319,402 (2018: £593,204) of which £200,875 was unrestricted (2018: £237,902) and £118,527 was restricted (2018: £355,302).

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	-	2,000	2,000	Invoice
Allocated staff costs	42,367	14,222	56,589	Time spent
Other	1,533	900	2,433	Invoice and usage
Total	43,900	22,522	66,422	

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

8. Staff costs and numbers

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Salaries and Wages	335,578	320,436	159,283	163,989
Social Security Costs	18,405	19,311	8,664	10,483
Pension Costs	3,847	1,962	2,003	1,102
Total Staff Costs	357,830	341,709	169,950	175,574

None of the Trustees received any emoluments including expenses in the current financial year (2018: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. Aside from the Trustees, 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 £42,834 (2018: £37,908)

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

	Group 2019	Group 2018	Trust 2019	Trust 2018
Trading subsidiary employees	14.2	11.0	-	-
Trust employees	7.3	7.8	7.3	7.8
Total Employees	21.5	18.8	7.3	7.8

9. Movement in total funds for the year

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
This is stated after charging:				
Auditor's remuneration:-				
External audit	8,900	8,904	5,400	5,400
Operating leases for equipment	888	1,775	888	1,775
Depreciation	8,736	8,637	5,812	5,139

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 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Trade debtors	32,513	23,580	19,366	16,826
Other debtors	12,095	16,813	6,866	16,853
Prepayments and accrued income	7,496	6,050	7,791	4,531
Receivable from Trading Company	-	-	5,360	130
Total Debtors	52,104	46,443	39,383	38,340

12. Creditors

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Trade creditors	21,189	37,027	9,782	22,656
Accruals	14,260	22,345	8,351	16,270
Loans	33,000	5,000	33,000	5,000
Taxation and social security	7,250	6,293	7,250	6,293
VAT Payable	9,663	10,022	-	-
Deferred Income (note 13)	46,085	32,592	33,375	26,588
Due from Trading Company	-	-	-	-
Total Creditors	131,447	113,279	91,758	76,807

13. Deferred Income

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Balance at 1 April	32,592	38,902	26,588	23,813
Recognised as income during the year	(32,592)	(38,902)	(26,588)	(23,813)
Amount deferred during the year	46,085	32,592	33,375	26,588
Balance at 31 March	46,085	32,592	33,375	26,588

Deferred income comprises amounts received in advance for room bookings and tenants' leases in respect of expenditure to be incurred after 31 March 2019.

14. Operating Lease Commitments

The Group has commitments under the terms of an 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.

	2019	2018
	£	£
One year	888	1,775
Between two and five years	-	888
Total commitments	888	2,663

15. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances as 31 March 2019 are represented by:			
Tangible Fixed Assets	50,764	-	50,764
Current Assets	91,022	2,473	93,495
Creditors: amounts falling due within one year	(127,254)	(4,193)	(131,447)
	14,532	(1,720)	12,812

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 2019.

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 £101,813 (2018: £320,219) with details of the main donors shown in note 2. The total amount expended during the year was £118,527 (2018: £355,302). The grants are restricted funding and allowed the Trust to continue work on the redevelopment of the gardens, stables, playground, kiosk and amenities which were in the majority completed in 2019 with some small finishing and project sign off outstanding. The restricted donations of £16,901 (2018: £13,500) were used in the same redevelopment work. The amount carried forward at 31 March 2019 is £(1,720).

18. Related parties

The Trust is in receipt of loans of £13,000 from 3 trustees. The loans are repayable on demand and do not bear interest (2018: £5,000). The loans are there to help the trust with the timing difference between expenditure and grants for the final costs of the HLF project.

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 Financial Statements. 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 financial statements 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 financial statements 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.

Tangible Assets

	Land & Buildings	Plant & Equipment	Fixtures & Fittings	Office Equipment	Computer Equipment	Total
	£	£	£	£	£	£
Cost						
As at 1 April 2018	4,520	33,113	47,820	7,655	27,269	120,377
Additions	-	467	-	-	-	467
As at 31 March 2019	4,520	33,580	47,820	7,655	27,269	120,844
Depreciation						
As at 1 April 2018	455	26,255	11,949	7,414	25,395	71,468
Charge for the year	48	2,441	4,289	241	1,717	8,736
As at 31 March 2019	503	28,696	16,238	7,655	27,112	80,204
Net Book Value						
As at 31 March 2019	4,017	4,884	31,582	-	157	40,640
As at 1 April 2018	4,065	6,858	35,871	241	1,874	48,909

As at 31 March 2019, the Net Book Value of tangible assets owned by Avenue House Services Limited was £13,498 (2018: £15,955). These values are included in the above table.

21. Heritage Assets

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Opening balance	9,574	1,524	9,574	1,524
Additions in the year	550	8,050	550	8,050
Closing balance	10,124	9,574	10,124	9,574

The Trust holds artefacts and other assets of historical importance relating to Inky Stephens products or promoting such products. These are in the process of been housed and displayed in the Trust's buildings providing a valuable opportunity to present the items to a wider audience. The Trust preserves, conserves and manages the objects in its care.

All the heritage assets have been bought in the last three years.

22. Results of Avenue House Estate Trust

Included in the consolidated statement of financial activities are the following amounts in respect of the Trust

	2019 £	2018 £
Total Income	537,116	732,463
Total expenditure	(534,197)	(761,205)
Net income/(expenditure)	2,919	(28,742)