

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

Group Annual Report and Financial Statements

For the Year ended 31 March 2020

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 2020. 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).

Aims, Objectives and Activities

Overall Charitable Aims

Avenue House Estate Trust was established to manage The Avenue House Estate in Finchley (see note 20) 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.

Main Activities to Deliver Trust Objectives

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

- Improve income opportunities

During the year we increased the rental income from letting of space in the House by 5.2%. The Stable Café has now traded for 2 full years and is a significant contributor to the Trust's income and profits. Room hire and catering income for this financial year was broadly comparable to last year. As a result, the Trust is both able to meet its financial commitments, and its charitable aims.

- Green Flag and Heritage Green Flag

The Trust has successfully applied for and received the Green Flag and Heritage Green Flag awards for the last 2 years. The management plan continues to be updated annually and received high praise from the committee awarding the Flags. In our report from the Green Flag organisation, we were commended on our management of the Gardens. Our objective is to continue to maintain the high standards required in horticulture to achieve these prestigious awards

- Adopt a more open posture

The Trust constantly seeks opportunities to encourage local membership. Initiatives in respect of membership have seen the numbers stabilise during the year.

The Stephens House and Gardens web page contains a wealth of information on all aspects of the Trust's activities. We also maintain a Facebook account with over 1,200 followers and a Twitter account with over 1,600 followers. These are regularly used to update and promote activities within the gardens. 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.

- Develop conservation strategies for each building on the Estate

With the completion of the Parks for People Project and Terepia work on the Bothy our strategy moves to one of continued conservation by regular and routine maintenance.

There are no Trust buildings on Historic England's 'Buildings at Risk' register as Barnet Council and Historic England removed the Bothy and the Water Tower from this list.

Trustees and management will now look to the strategies for the House accepting that the current epidemic is focusing our attention on the challenging business environment for the hospitality sector.

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

The Trust completed the final stages of the Parks for People project and we are extremely grateful for all the organisations and people who funded this significant project.

The Trust continues to look at other grant opportunities.

- Actively seek financial support from the people of Finchley

We continue to engage with the local community to try to encourage continued financial support. We had a full and varied number of events all of which were well supported. These included our ever popular Hallowe'en and Summer Garden Fete along with Yoga, Quiz Nights, Sunday Lunches and Supper Clubs. Our donations income has fallen this year to £46,093 compared with £59,882 last year. But we are most grateful to all those who continue to support us.

- Encourage the use of volunteers to increase our labour resource

A large number of local people who are keen to support us by volunteering in the gardens, either with litter picking, stewarding at events (to help keep costs down) or with helping to maintain the 10 acres of gardens. For the year 2020 we have recorded around 1,320 hours. We have also built up a

good relationship with our local Good Gym group, mainly thanks to our company secretary Paul Salman. They have helped us with tasks around the house and gardens and have also helped us with leafleting the local area to promote events.

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.

Apart from the Trustees 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.

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 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 adverse weather conditions and some bank holidays)
- 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 Trust for the benefit of the public.

Achievements and Performance

in this financial year the business has continued to do well. We have seen our unrestricted gross operational revenue show a small increase to £603,398 from £600,063 in 2019, and maintaining the 8.2% increase over 2018 reported last year. Rental income in 2020 of £113,650 increased by 5.2% as we looked to maximise rental opportunities. Unrestrictive grants and donations increase by 16.1% in 2020 to £62,218 as we look to all sources of funding to help maintain the Gardens and House. These increases were partly offset by a small decrease in our commercial operations which fell by £10,894 to £427,525 or 2.5%. The summer months saw a lower level of business than expected but with the measures taken by the Trustees and General Manager saw a significantly higher level of trading in the winter compared to the previous year. The

catering side of our business is a major contributor with a second full year from the café which opened in July 2017.

Unrestricted costs fell slightly during the year by 0.8% to £589,580. Café costs reduced as staffing and catering costs were adjusted to reflect trading conditions. Other areas which reduced costs included closing the gardens, fund raising costs and insurance. The general manager has, during year, carefully monitored the operating costs and made adjustments where required. These reductions were partially offset by an increase in salary cost as some employment costs are funded by the Trust not through the HLF project and higher pension costs. Actions were taken towards the end of the year to reduce salary costs but with no corresponding impact on our business.

The Trust shows net income of £13,818 in the year an increase from £5,902 in 2019. Unrestricted reserves increased to £28,350.

The restricted income of £82,173 reduced from £118,714 a decrease of 30.8%. This is primarily as the funding for our 'Parks for People' scheme finished in 2020 and the majority of the works was completed in previous years. Our expenditure of £75,146 was also down by 36.6% again reflecting the completion of the project as the majority of works of the project were carried out in prior years. Restricted reserves are £5,307 primarily for on going funding for a garden apprentice.

Financial Review

Financial Position at the end of the Reporting Period

As reported above the Group made a surplus of £13,818 in 2020 on its unrestricted activities.

On its restricted funds the Group made a surplus of £7,027 primarily on the 'Parks for People' project and an apprentice scheme. The restricted reserve balance at the beginning of the year was a deficit £1,720 leaving a surplus of £5,307 at the end of 2020. This surplus is to continue to fund an apprentice in the Gardens.

The Group at the end of 2020 has fixed assets of £43,784 of which £10,124 is Inky Stephens artefacts. The Group held cash balances of £30,026, stocks of £9,779 and debtors of £33,652. Total current assets were £73,457 a decrease from £92,495 at the end of the 2019. Creditors falling due within a year total £83,584 compared with £131,447 a year ago. This figure is mainly trade creditors, loans, accruals and deferred income. The Group ended the year with net assets of £33,657. The main movements above are due to the Group completing the delivery of the 'Parks for People' programme in the current year.

Reserves Policy

The Trustees remain of the opinion that the Trust should maintain unrestricted reserves at a level that can accommodate an unexpected major structural failure of its historical buildings, 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 financial year the unrestricted reserves stood at £14,532. At the end of the financial year the unrestricted reserve was £28,350. 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 Group allows and will continue to use any surplus the Group generates, after operating and maintaining the House and Gardens, to work to this end.

At the end of the 2020 financial year, the Group also held a restricted reserve of £5,307.

Going concern

The period after 31 March 2020 has been more challenging for the Trust as a result of difficulties operating in the hospitality sector during Covid pandemic restrictions. The Group has seen reduced income in all areas but the Café when it is open saw sales in excess of the prior comparative period. During the period the Group's room hire and catering business benefited from a large film location contract. Together with careful cost management and government furlough scheme the Group continues to be profitable.

The Group in the last 15 months has benefited from over £91,000 of grants and donations directly related to Covid assistance and the importance of keeping open the Gardens as a green space and place of permitted exercise in such difficult times. In addition in April 2021 the group was awarded a total grant of £169,200 from Cultural Recovery Fund to assist with the reopening of the House and its hospitality operations.

The Group is seeing good level of inquiries in our hospitality sector space and believe a positive bounce back together with Government initiatives, grants awarded and continued tight cost control mean that the Group has adequate resources to continue in operational existence for the foreseeable future. The Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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 2020) 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 Trust. It also monitors performance to ensure that the charity operates effectively, efficiently and accountably.

During the year the Board delegated the management of the Trust 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 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.

Risk Management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties faced by the Trust and its subsidiary Avenue House Services Ltd ;
- 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 Trust should those risks materialise.

Financial sustainability continues to be the major financial risk for both the Trust 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 debtor and creditor 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' declaration and an annual update of a 'disqualification' 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

Auditors

The Trustees appointed HW Fisher LLP as the company's auditors for the current year, 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 company and the group as at the balance sheet date and of the Trust'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 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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.

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 and Bill Tyler

Directors and Trustees

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 were as follows:

Alison Dean
Mike Conradi

John Lancaster
Julian Trevelyan
Khalid Ghani
Alessandra Alonso
Philip Rubenstein
Simon Shaer

Officers

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

Audit and Accountancy Services Auditors

HW Fisher LLP, 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.

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.

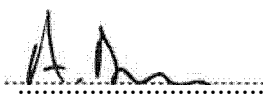
Conclusion

With the most unexpected ending to the year which forced the closure of the house and gardens, I would like to reflect on the successes from the previous months.

- Our General Manager, Malcolm Godfrey and Tracey Joseph, Head of Sales worked tirelessly to convert enquires into bookings which saw our best ever performance over the winter period which traditionally has not been strong.
- Our General Manager constructed our biggest and best Hallowe'en event in the basement of the house which brought fun and enjoyment to all.
- The café run by our Catering Manager Christine Becks has proved to be a wonderful asset and is enjoyed by so many who come to visit the gardens.
- In addition to the fund raising events noted earlier in this report, we offered a diverse set of free events to engage with the community such as Shared Reading, The Treaty of Versailles museum open day, Hospital for Heroes exhibition and the Messy Play day. All of these coordinated by Melanie Wynyard, our Learning and Outreach Officer.
- Our wonderful garden team, staff and volunteers, continue to see their efforts recognised with the award of the prestigious Green Flag.

My thanks to all the staff and my fellow trustees and trust officers for all that they have done this year and finally, to our members, doners and volunteers who continue to support us.

Approved by the Board 23rd June 2021, 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 'the Trust') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Trust Balance Sheets, the Consolidated 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 Trust's charitable company's affairs as at 31 March 2020 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 Trust'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 Trust 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 Trust 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 Trust 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 LLP**

**Chartered Accountants
Statutory Auditor**

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

23rd June 2021

Consolidated Statement of Financial Activities (including Income and Expenditure Account)
for the year ending 31 March 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
<u>Income from</u>					
Donations and Grants:					
Grants received	2,17	17,913	80,385	98,298	112,419
Donations	3	44,305	1,788	46,093	59,882
		<u>62,218</u>	<u>82,173</u>	<u>144,391</u>	<u>172,301</u>
Other trading activities:					
Commercial trading activities	5	427,525	-	427,525	438,419
Income from charitable activities:					
Rents and service charge		113,650	-	113,650	108,055
Other income:					
Interest income	4	5	-	5	2
Total income		<u>603,398</u>	<u>82,173</u>	<u>685,571</u>	<u>718,777</u>
Expenditure on raising funds					
Cost of commercial trading operations	5	402,401	-	402,401	393,286
Expenditure on charitable activities					
Maintenance and use of the estate	6	187,179	75,146	262,325	319,402
Total expenditure		<u>589,580</u>	<u>75,146</u>	<u>664,726</u>	<u>712,688</u>
Net income		<u>13,818</u>	<u>7,027</u>	<u>20,845</u>	<u>6,089</u>
Net movement of funds in the year	9	13,818	7,027	20,845	6,089
Total funds at 1 April		14,532	(1,720)	12,812	6,723
Total funds at 31 March		<u>28,350</u>	<u>5,307</u>	<u>33,657</u>	<u>12,812</u>

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 £
<u>Income from</u>				
Donations and legacies:				
Grants received	2,17	10,606	101,813	112,419
Donations	3	42,981	16,901	59,882
		<u>53,587</u>	<u>118,714</u>	<u>172,301</u>
Other trading activities:				
Commercial trading activities	5	438,419	-	438,419
Income from charitable activities:				
Rents and service charge		108,055	-	108,055
Other income:				
Interest income	4	2	-	2
Total income		<u>600,063</u>	<u>118,714</u>	<u>718,777</u>
Expenditure on raising funds				
Cost of commercial trading operations	5	393,286	-	393,286
Expenditure on charitable activities				
Maintenance and use of the estate	6	200,875	118,527	319,402
Total expenditure		<u>594,161</u>	<u>118,527</u>	<u>712,688</u>
Net income		<u>5,902</u>	<u>187</u>	<u>6,089</u>
Net movement of funds in the year	9	5,902	187	6,089
Total funds at 1 April		8,630	(1,907)	6,723
Total funds at 31 March		<u>14,532</u>	<u>(1,720)</u>	<u>12,812</u>

Consolidated and Trust Balance Sheets as at 31 March 2020

	Notes	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Fixed Assets					
Investment in Subsidiary	11	-	-	1	1
Tangible assets	12	33,660	40,640	22,945	27,142
Heritage Assets	13	10,124	10,124	10,124	10,124
Total Fixed Assets		43,784	50,764	33,070	37,267
Current Assets					
Stocks of food and beverages		9,779	9,287	-	-
Debtors	14	33,652	52,104	28,038	39,383
Cash at bank and in hand		30,026	32,104	23,357	24,089
Total Current Assets		73,457	93,495	51,395	63,472
Creditors:					
Amounts falling due within one year	15	83,584	131,447	52,666	91,758
Net Current Assets/(Liabilities)		(10,127)	(37,952)	(1,271)	(28,286)
Total Net Assets	18	33,657	12,812	31,799	8,981
Unrestricted funds					
Designated Funds	18,19	-	-	-	-
General Funds	18	28,350	14,532	26,492	10,701
		28,350	14,532	26,492	10,701
Restricted Funds	18,19,20	5,307	(1,720)	5,307	(1,720)
Total Funds		33,657	12,812	31,799	8,981

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 £22,817 (2019: Profit £2,919)

Approved by the Board of Directors on 23rd June 2021 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 2020

	Group 2020 £	Group 2019 £
Cash flows from operating activities		
Net movement in funds	20,845	6,089
Adjustment for:		
Depreciation charge	7,610	8,736
(Increase)/decrease in stocks	(492)	(700)
(Increase)/decrease in debtors	18,452	(5,661)
Increase/(decrease) in creditors	(24,863)	(9,832)
Net cash provided by (used in) operating activities	21,552	(1,368)
Cash flows from investing activities		
Purchase of tangible fixed assets	(630)	(467)
Purchase of heritage assets	-	(550)
Net cash (used in) investing activities	(630)	(1,017)
(Repayment)/increase of loans	(23,000)	28,000
Net cash (used in) provided by financing activities	(23,000)	28,000
Change in cash and cash equivalents	(2,078)	25,615
Cash and cash equivalents at start of year	32,104	6,489
Cash and cash equivalents at end of year	30,026	32,104

Notes to the Consolidated Financial Statements for the year ended 31 March 2020

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. The principal accounting policies adopted are set out below. The financial statements have been prepared in accordance with the Charity's governing document, 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by 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 Group. The post balance sheet period has been challenging for the Group as a result of difficulties operating in the hospitality sector during Covid pandemic restrictions. The Group has seen reduced income in all areas but the Café when it is open saw sales in excess of the prior comparative period. During the period the Group's room hire and catering business benefited from a large film location contract. Together with careful cost management and government furlough scheme the Group continues to be profitable.

The Group in the last 15 months has benefited from over £91,000 of grants and donations directly related to Covid assistance and the importance of keeping open the Gardens as a green space and place of permitted exercise in such difficult times. In addition in April 2021 the group was awarded a total grant of £169,200 from Cultural Recovery Fund to assist with the reopening of the House and its hospitality operations.

The Group is seeing good level of inquiries in our hospitality sector space and believe a positive bounce back together with Government initiatives, grants awarded and continued tight cost control mean that the Group has adequate resources to continue in operational existence for the foreseeable future. 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) Income 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.
- 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 a basis consistent with the use of the resources. Governance costs include those costs incurred in the governance of the Trust and associated constitutional and statutory requirements.
- k) The Trust 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 Trust 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.
- 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. 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 opening of the deposit or similar account.
- s) Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.
- t) 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.
- u) Deferred income comprises amounts received in advance in respect of rental, room hire and catering.
- v) 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.
- 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.
- 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	2020 Total	Unrestricted	Restricted	2019 Total
	£	£	£	£	£	£
Heritage Lottery Funding	17,913	66,185	84,098	10,606	101,813	112,419
Finnis Scott	-	10,000	10,000	-	-	-
Others	-	4,200	4,200	-	-	-
Total Grants	17,913	80,385	98,298	10,606	101,813	112,419

3. Donations

	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	£	£	£	£	£	£
General donations	41,878	1,788	43,666	40,094	16,094	56,188
Gift Aid recoverable	2,427	-	2,427	2,887	807	3,694
Total Donations	44,305	1,788	46,093	42,981	16,901	59,882

4. Other Income

Other income of £5 (2019: £2) 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	2020	2019
	£	£
Turnover	427,525	438,419
Cost of sales and administration expenses	(402,401)	(393,286)
Rent paid to the Trust	(24,000)	(41,963)
Net Profit	1,124	3,170
Retained earnings brought forward	3,831	661
Distributions	(3,096)	-
Retained earnings	1,859	3,831

The assets and liabilities at 31 March were:

Fixed assets	10,714	13,498
Current assets	30,153	35,383
Current liabilities	(39,007)	(45,049)
Total Net Assets/(Liabilities)	1,860	3,832
Aggregate share capital and reserves	1,860	3,832

6. Expenditure on Charitable Activities

	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£	£	Total	£	£	Total
	£	£	£	£	£	£
HLF park project	-	39,500	39,500	-	73,367	73,367
Maintenance and repairs	8,016	-	8,016	12,180	-	12,180
Staff costs	51,674	34,979	86,653	47,125	39,321	86,446
Fund raising/advertising	5,833	-	5,833	9,779	-	9,779
Utilities/water/rates	36,463	-	36,463	32,383	-	32,383
Cleaning	9,418	-	9,418	7,299	-	7,299
Insurance	18,999	-	18,999	19,148	-	19,148
100 in 100 campaign	-	667	667	-	5,839	5,839
Support costs (note 7)	51,651	-	51,651	66,422	-	66,422
Depreciation	4,197	-	4,197	5,812	-	5,812
Communications/printing	928	-	928	727	-	727
Total Expenditure	187,179	75,146	262,325	200,875	118,527	319,402

7. Support Costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function.

	General support	Governance	2020 Total	General support	Governance	2019 Total
	£	£	£	£	£	£
Auditor's remuneration	-	(660)	(660)	-	5,400	5,400
Accounting	-	2,450	2,450	-	2,000	2,000
Allocated staff costs	34,995	12,599	47,594	42,367	14,222	56,589
Others	1,367	900	2,267	1,533	900	2,433
Total Support Costs	36,362	15,289	51,651	43,900	22,522	66,422

Auditor's remuneration and accounting costs are based on invoiced amounts. Staff costs are based on role descriptions and best estimate of time spent fulfilling these roles. Other costs are based on invoice and best estimate.

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

8. Staff costs and numbers

	Group 2020	Group 2019	Trust 2020	Trust 2019
	£	£	£	£
Salaries and Wages	340,552	335,578	116,289	123,906
Social Security Costs	21,419	18,405	7,685	6,943
Pension Costs	6,197	3,847	2,314	1,562
Total Staff Costs	368,168	357,830	126,288	132,411

None of the Trustees received any emoluments or expenses in the current financial year (2019: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 £43,758 (2019: £42,834)

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

	Group 2020	Group 2019	Trust 2020	Trust 2019
Trading subsidiary employees	14.1	14.2	-	-
Trust employees	8.3	7.3	8.3	7.3
Total Employees	22.4	21.5	8.3	7.3

9. Movement in total funds for the year

	Group 2020	Group 2019	Trust 2020	Trust 2019
	£	£	£	£
This is stated after charging:				
Auditor's remuneration:-				
External audit	8,386	8,900	(660)	5,400
Operating leases for equipment	-	888	-	888
Depreciation	7,610	8,637	4,197	5,812

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. 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.

12. 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

Group	Land & Buildings £	Plant & Equipment £	Fixtures & Fittings £	Office Equipment £	Computer Equipment £	Total £
Cost						
As at 1 April 2019	4,520	33,580	47,820	7,655	27,269	120,844
Additions	-	-	630	-	-	630
As at 31 March 2020	4,520	33,580	48,450	7,655	27,269	121,474
Depreciation						
As at 1 April 2019	503	28,696	16,238	7,655	27,112	80,204
Charge for the year	48	2,761	4,644	-	157	7,610
As at 31 March 2020	551	31,457	20,882	7,655	27,269	87,814
Net Book Value						
As at 31 March 2020	3,969	2,123	27,568	-	-	33,660
As at 1 April 2019	4,017	4,884	31,582	-	157	40,640

As at 31 March 2020, the Net Book Value of tangible assets owned by Avenue House Services Limited was £10,714 (2019: £13,498). These values are included in the above table.

Trust	Land & Buildings £	Plant & Equipment £	Fixtures & Fittings £	Office Equipment £	Computer Equipment £	Total £
Cost						
As at 1 April 2019	4,520	28,335	32,471	4,976	22,026	92,328
Additions	-	-	-	-	-	-
As at 31 March 2020	4,520	28,335	32,471	4,976	22,026	92,328
Depreciation						
As at 1 April 2019	503	25,144	12,537	4,976	22,026	65,186
Charge for the year	48	1,392	2,757	-	-	4,197
As at 31 March 2020	551	26,536	15,294	4,976	22,026	69,383
Net Book Value						
As at 31 March 2020	3,969	1,799	17,177	-	-	22,945
As at 1 April 2019	4,017	3,191	19,934	-	-	27,142

13. Heritage assets

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Opening balance	10,124	9,574	10,124	9,574
Additions in the year	-	550	-	550
...Closing balance	10,124	10,124	10,124	10,124

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.

14. Debtors

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Trade debtors	27,995	32,513	16,730	19,366
Other debtors	-	12,095	-	6,866
Prepayments and accrued income	5,657	7,496	3,219	7,791
Receivable from Trading Company	-	-	8,089	5,360
Total Debtors	33,652	52,104	28,038	39,383

15. Creditors

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Trade creditors	14,871	21,189	5,897	9,782
Accruals	13,105	14,260	5,313	8,351
Loans	10,000	33,000	10,000	33,000
Taxation and social security	6,353	7,250	6,353	7,250
VAT Payable	8,796	9,663	-	-
Deferred Income (note 16)	30,459	46,085	25,103	33,375
Total Creditors	83,584	131,447	52,666	91,758

16. Deferred Income

	Group 2020 £	Group 2019 £	Trust 2020 £	Trust 2019 £
Balance at 1 April	46,085	32,595	33,375	26,588
Recognised as income during the year	(46,085)	(32,595)	(33,375)	(26,588)
Amount deferred during the year	30,459	46,085	25,103	33,375
Balance at 31 March	30,459	46,085	25,103	33,375

Deferred income comprises amounts received in advance for room bookings and tenants' leases in respect of income to be earned after 31 March 2020.

17. 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.

	2020 £	2019 £
One year	-	888
Between two and five years	-	-
Total commitments	-	888

18. Analysis of net assets between funds

Fund balances as at 31 March are represented by:

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Tangible Fixed Assets	43,784	-	43,784	50,764	-	50,764
Current Assets	68,150	5,307	73,457	91,022	2,473	93,495
Creditors: amounts falling due within one year	(83,584)	-	(83,584)	(127,254)	(4,193)	(131,447)
Total Funds	28,350	5,307	33,657	14,532	(1,720)	12,812

19. 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 2020.

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

20. Restricted funds

The Trust received grants during the year of £80,385 (2019: £101,813) with details of the main donors shown in note 2. The total amount expended during the year was £75,146 (2019: £118,527). 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 2020 with a small balance for ongoing apprentice cost outstanding. The restricted donations of £1,788 (2019: £16,901) were used in the same redevelopment work. The amount carried forward at 31 March 2020 is £5,307.

21. Related parties

The Trust is in receipt of loans of £10,000 from 2 trustees. The loans are repayable on demand and do not bear interest (2019: £13,000). The loans are there to help the trust with the timing difference between expenditure and grants for the final costs of the HLF project.

22. Net debt reconciliation

Net debt reconciliation for the Group 2020

	At start of year £	Cashflows £	At year end £
Cash at bank and in hand	32,104	(2,078)	30,026
Loans falling due within 1 year	33,000	(23,000)	10,000

Net debt reconciliation for the Group 2019

	At start of year £	Cashflows £	At year end £
Cash at bank and in hand	6,489	25,615	32,104
Loans falling due within 1 year	5,000	28,000	33,000