

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

Group Annual Report and Accounts

For the Year ended 31 March 2009

Charity number: 1093908
Company number: 04099007

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Report of the Board of Directors and Trustees

The Trustees are pleased to present their report together with the financial statements of the charity for the year ending 31st March 2009

Reference and Administrative Information

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

Directors and Trustees

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

Bill Tyler, Chair
Andrew Brown, Secretary
Diane Brunt (appointed 8 January 2009)
Janett Durrant
Mel Hooper, Treasurer
Susan Liu, Deputy Chair
Rolph Webster (resigned 8 January 2009)

Auditors

MacIntyre Hudson LLP, Chartered Accountants & Registered Auditors, Euro House, 1394 High Road, Whetstone, London N20 9YZ

Banking Services

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

Legal Services

Cree, Godfrey and Wood, 28 High Road, East Finchley, London N2 9PJ
Croner, 145 London Road, Kingston upon Thames, Surrey KT2 6SR
FirstAssist Services Limited, Wheatfield Way, Hinckley, Leicester, LE10 1YG

Structure, Governance and Management

Governing Document

Avenue House Estate Trust (AHET) is a company limited by guarantee, registered with Companies House in England and Wales in October 2000, and governed by its Memorandum and Articles of Association last amended in November 2007. 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 (29 at 31 March 2009) are each required to contribute a sum not exceeding one pound.

Recruitment and Appointment of Trustees

Trustees are appointed in accordance with the Articles of Association and when complete the board consists of at least three and not more than eight individuals. Six persons are elected by the members at the AGM and trustees have the power to co-opt to these places if vacant. Two places are reserved for co-option by the trustees.

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.

Qualifying indemnity provision is in place for the benefit of all Trustees of the charity.

Induction and Training of Trustees

The Board has adopted the following policies:

- all new trustees will have an induction process
- all trustees will be offered and encouraged to take up opportunities for personal development in skills relevant to their trustee duties.

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

Organisation

The Board meets eight times each year and focuses on strategic and novel matters. The Board safeguards the values, promotes the mission and determines the strategy and broad structure of the charity. It also monitors performance to ensure that the charity operates effectively, efficiently and accountably. The charity is managed by one of the trustees, Janett Durrant as Trustee Manager, who is in control of routine matters, all the staff and assets and who is answerable for this role to the Board.

Related Parties

Avenue House Services Limited (AHSL) is a wholly owned subsidiary operating as the trading arm of the charity and established to service the non-charitable trading activities on the estate. The directors are Janett Durrant and Mel Hooper. AHSL has a licence to operate from the charity's premises and pays the majority of its profits to the charity by gift aid.

Avenue House Estate Trust co-operates regularly with two other charities, The Finchley Society and The Hendon and District Archaeological Society, to deliver education to parties of school children visiting the Estate.

Risk Management

The trustees consider the major risks to which the charity is subject on an annual basis and continue to take appropriate steps to manage them. They include: board development and strategy, client and tenant dependency, public health (including food hygiene) and safety, reserves policy and budgetary control. The board recognizes the need for a continually up-dated strategic plan and to review its own need for special skills. It is acutely aware of the dangers of over-reliance on a limited number of clients and a wider range of users is being attracted through recommendation and advertising. The health and safety of the public, and of our staff, is of paramount importance and systems and precautionary measures in place throughout the estate are consistently upgraded to meet changing regulations. The board has reviewed its annual financial reserves policy to ensure sufficient and commensurate operational funding is available.

Objectives and Activities

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

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

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

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

The object of the charity is the preservation and maintenance of the Mansion House, buildings and grounds of the Avenue House Estate for use by members of the public, including use for:

- (a) meetings, lectures and classes, and

- (b) other forms of recreation and leisure-time occupation with the object of improving the conditions of life for members of the public.

Achievements and Performance

Following a difficult trading year, 2008/09 eventually improved on that position with quite robust room letting figures for customers' events in the Mansion. This is the main source of AHET's income and, as noted in last year's Report & Accounts, this better-than-expected level of use may well be the result of 'downsizing' from more expensive venues because of economic restraint. AHET's Board and Estate Manager have been ever conscious of the need to husband resources and, again, our members of staff have worked hard to provide our customers with a high level of service in every one of the wide range of activities that have taken place.

The Estate's physical assets are twofold - the Grounds and the buildings - and both demand a high level of continuous maintenance. Whilst the buildings can produce a revenue stream, from the Mansion and the Grounds Kiosk, the lack of income from the Grounds (other than from relatively small donations from a number of users) means that the high and necessary cost of Grounds maintenance is met from Mansion and Kiosk revenue and creates a vacuum in funds for building maintenance.

As noted in last year's Report and Accounts, the immediate concern of the Board was the stabilisation of the Trust's financial position after a poor trading period. To this end recurrent expenditure and overheads were tightly pruned and, with no upturn in casual room hiring evident, it was decided that our in-house catering could be more profitably provided by external suppliers on an 'as and when' basis. Split equally between house and grounds, two members of staff were made redundant in September and two more put on short time working. This had no material impact on users of the House and only affected the Grounds in that some restitution work was delayed.

From the outset of the financial year all our staff worked flexibly, some on reduced hours, and have contributed fully to maintaining the excellent service we offer all our customers, whether using the buildings or grounds. We continue to receive praise from the public and from our paying customers and this is vital in a highly competitive market where word of mouth or website reports can have considerable impact on financial performance. The Trustees are grateful to our administration team led by Sue Lewsley and the Grounds' staff under Gary Pearse for their continuing hard work throughout the year.

The Estate again hosted the Junior Citizens scheme for Barnet schoolchildren run by the Metropolitan Police in conjunction with the Fire and Ambulance Services and TfL (Transport for London). It is particularly gratifying that a training DVD was made for distribution to other London boroughs and then to councils nationally in which the Avenue House scheme features largely. School visits continued to be made to the Estate and children enjoy the opportunity to see wildlife in natural habitats. The team of local volunteers has maintained The Bothy garden to their usual high standard and held several open days for public visits. During the period under review we saw a significant resumption in donations towards Grounds maintenance that had all but been choked off by the dispute over The Bothy with Finchley Arts Centre Trust (FACT) and its subsequent demise.

On a fine mid-March Sunday afternoon we attracted a large number of children and parents to a balloon race, the initial celebratory event marking the 150th anniversary of the Estate. It introduced some new

faces to the Estate and raised useful funds, as did two race and quiz nights featuring locally organised teams and two enjoyable ghost/sleep-over nights.

In July 2008 the report into FACT by the Heritage Lottery Board came into the public domain and the action we had taken seemed to have been more than justified; Barnet Council refused to disclose its own investigative report, however.

Negotiations continued with Hampstead School of Art (HSA) for their occupation of The Bothy on a long lease but on the basis that the demise would now include the first floor accommodation, in addition to their initially required space of the southern courtyard and ground floor central section. Repeated requests for changes in what we had thought were agreed Heads of Terms persuaded the Board to seek the advice of Martin Gerrard, our Vice President and a Chartered Valuation Surveyor. From December 2008 negotiations took place, *pro bono*, over HSA's new proposals for the length of the lease, the rent-free period and the eventual rent payable but without any resolution over some seven months. In July the Board concluded that the terms still demanded by HSA were so disadvantageous to AHET in the future that negotiations with the art school should be terminated, a disappointing outcome to what had seemed a promising use for at least part of The Bothy.

In November a committee was formed to consider priorities and long term strategies for improving and maintaining the Grounds for maximum public use and enjoyment but commensurate with limited Estate-generated income and local donations and potential grants from external organisations. Contact was made with the Garden History Society and in April 2009 their Conservation Officer visited the Estate; appreciative of the husbandry of the Grounds, the Society could not offer direct assistance but provided a list of some organisations that may have grants available. We also have a small group, led by Diane Brunt, considering what policy to adopt for the Estate's archival material and advice has been sought from the archivist at the Bishopsgate Institute. More recently a group has been established to focus on fund-raising events to enhance what can be achieved through smaller on-site activities, valuable though they be in generating immediately local support.

Grants under the Big Lottery schemes enabled improvements to be carried out to paths, planting and furniture in the Grounds. Two generous donations and a previous grant from the Milly Apthorp Charity allowed progress to be made with the proposed conversion of the end part of the Stables to a Tea Room, permitting the Grounds' Kiosk to function in inclement weather. A revised plan and specification were prepared and estimates sought in anticipation of work commencing in summer 2009 and it was completed in September. Minor repair and reinstatement work was carried out to the interior of the stables building itself, the 'den' of a local cub/scout troop.

With closure of the 2008/9 accounting period, revisions to the accountancy system have been implemented by the Treasurer and Estate Manager which, together with enhancements to the room booking system currently being introduced, are expected to improve the quality and timeliness of the financial information available to the management and the Board.

Financial review

The tenanted offices on the first and second floors of the Mansion and the casual hourly room-letting business underpin the business of the charity, providing income to staff and service the Mansion and for

general upkeep of the Grounds. The reduction in room lettings in the latter part of 2007/8, noted in last year's Report, continued through 2008 but was offset by significant cost cutting. A revival in usage was seen early in 2009, possibly resulting from our competitive pricing compared to other North London venues, but the two smallest casual letting rooms remained severely underused and it was decided they should be let on a longer term basis to ensure a regular income, one to an organisation running children's play groups in the local community and at Avenue House.

The cost of maintaining the Grounds is borne by income generated by the Mansion but, following a very substantial reduction in local donations in 2007/8, this financial year has seen a significant revival of support and a welcome and helpful supplement. The high standard we aim to provide for the public enjoyment of the Grounds as one of our major assets is a heavy burden and does not allow for significant expenditure on long term improvement works. For these we have been fortunate to obtain funding from Lottery sources, as noted earlier.

As also previously noted, two large donations, each of £10,000, were contributed specifically towards the new Tea Room and a third donation of £5,000 was received for repairs to the front façade of the Mansion. None of these restricted funds were expended in the year under review but those for the Tea Room were subsequently disbursed. Repair of the front façade is increasingly urgent but match funding from external or our own resources will be needed before work can be implemented.

Avenue House Services Limited (AHSL), the Trust's trading subsidiary, had a moderately successful year but recently it has been evident that clients holding conferences or seminars are cutting back on their catering requirements. It is to be hoped this cost-saving trend may at least be counter-balanced by additional revenue from extended operating hours of the Kiosk/Tea Room. The company provided a donation of £5,074 to the Trust, a decrease of £6,834 on last year's contribution.

The imminent loss of one of our long-term tenants will reduce income for a period while a new tenant is found. However, continuing robust scrutiny of all expenditure will help to offset the loss of rent, as will a significant reduction in rateable value secured through the employment of a professional surveyor on a 'no win, no fee' basis and which also achieved a windfall rate rebate of c£30,000 excluding fees.

Reserves Policy

The board had intended that reserves should reach £100,000 by March 2008 but that it was unrealistic was recognised in 2007 when a new target of £60,000 was set. That, too, appeared unattainable and was revised to a year-end figure for 2008/09 of £35,000. The Board is all too conscious that substantial reserves are necessary to meet unexpected circumstances, particularly possible on an estate and buildings such as Avenue House. The Trustees intend to build the reserves as quickly as possible and have set new targets of £50,000 with an ultimate aim of £100,000. The policy is to be reviewed annually.

Public Benefit Statement

The Trustees have been cognisant of their responsibilities to maintain the charity for the benefit of the public and this has been achieved successfully through the letting of accommodation to other charities on a permanent basis, providing rooms for letting to the public and charities, maintaining the grounds for

the enjoyment of the public at large during daylight hours throughout the year and arranging for educational visits by schoolchildren.

Future Plans

In the present difficult national economic climate the Trustees are determined to seek savings wherever practicable and to build up reserves to cover any revenue shortfall and unanticipated expenditure (such as recent repair of a chimney stack from which masonry had fallen and urgent eradication of dry rot around the rear entrance and ladies' toilet in the Mansion costing in the region of £18,000) in expectation that monthly income may fluctuate appreciably.

A charity tenant will be sought for the vacant office space in the Mansion and a new use and an occupier able to support its renovation will need to be found for The Bothy; this will not be easy and AHET may need to carry out limited intervention work to prevent further deterioration through faults left by FACT's contractors. Active marketing of letting rooms will continue and new sources of funding will be sought by the fund-raising committee. As in previous years, race nights and quiz evenings will be taking place over the winter period.

During the latter part of the summer of 2009 there have been an increased number of instances of disquieting anti-social behaviour and minor vandalism in the Grounds and the Trustees will be considering how to monitor or exclude the perpetrators. We will also be looking at long term Board and management arrangements to strengthen the day to day and long term activities of the Trust.

The 150th anniversary of the estate's foundation was further marked by a highly successful summer fair that drew a crowd of some 2,500 to the Grounds in mid-June and very recently the Trustees gave a reception for the Mayor of Barnet and many guests who have been of particular support and help to the Trust since it acquired the Estate in 2002. The goodwill of our clients, benefactors, grant-givers, members of the public, suppliers and staff has been and will continue to be of immense value to the Estate and the Trustees will continue to build on those relationships in whatever way is appropriate.

In uncertain financial times it is essential that income and expenditure is closely monitored, made simpler through the new systems we have introduced, and that capital projects are not embarked upon, unless grant aided and with sufficient match funding secured, until our reserves reach the target set by the Board. The Trust will continue its careful regime of regular general maintenance of the Grounds and the buildings to ensure they remain attractive for the use and enjoyment of everyone.

Responsibilities of the Board

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 1985. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board

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

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

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

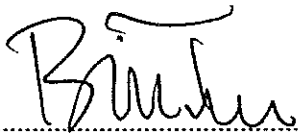
Auditors

MacIntyre Hudson were re-appointed as the company's auditors during the year and have expressed their willingness to continue in that capacity.

Accounts

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (issued March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board on 16 December 2009 and signed on its behalf by:



Bill Tyler, Chair

16 December 2009

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AVENUE HOUSE ESTATE TRUST**

We have audited the group and charity financial statements of Avenue House Estate Trust for the year ended 31 March 2009 which comprise the Consolidated Statement of Financial Activities, the group and charity Balance Sheets, and related notes 1-21. These Financial Statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Avenue House Estate Trust for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland), issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements,

and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 March 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- in our opinion the information given in the Annual Report of the Board of Directors and Trustees is consistent with the financial statements.

Emphasis of matter – Going Concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 21 to the financial statements concerning the group and charity's ability to continue as a going concern. The group and charity had income in excess of expenditure during the year ended 31 March 2009. At that date, the group and charity's current assets exceeded total liabilities. However, other matters explained in note 21 to the financial statements, indicate the existence of a number of material uncertainties which may cast significant doubt about the group and charity's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and charity were unable to continue as a going concern.

1394 High Road

London

N20 9YZ

17 December 2009


MACINTYRE HUDSON LLP

Chartered Accountants
& Registered Auditors

Consolidated Statement of Financial Activities (including Income and Expenditure Account)
for the year ending 31 March 2009

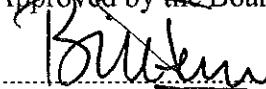
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
<u>Incoming Resources</u>					
Incoming resources from generated funds:					
Grants Received	2	-	46,192	46,192	-
Donations	3	14,580	12,944	27,524	24,462
Commercial trading operations	4	123,813	-	123,813	137,188
Interest income		2,472	-	2,472	4,552
Total from generated funds		140,865	59,136	200,001	166,202
Incoming resources from charitable activities:					
Room and equipment hire		133,235	-	133,235	126,795
Refreshment income from room hires		20,214	-	20,214	22,911
Rents and service charges		65,488	-	65,488	62,071
Total from charitable activities		218,937	-	218,937	211,777
Other incoming resources	5	9,192	-	9,192	58,972
Total Incoming Resources		368,994	59,136	428,130	436,951
<u>Resources Expended:</u>					
Cost of Commercial trading operations	4	107,464	-	107,464	115,487
Governance Costs	6	22,361	-	22,361	23,000
Net incoming resources available for Charitable application		239,169	59,136	298,305	298,464
<u>Resources Expended on Charitable Activities:</u>					
Maintenance of the Estate buildings	7	48,729	-	48,729	139,468
Maintenance of the Estate grounds		80,717	46,123	126,840	101,829
Use of the Estate by the Community		103,958	-	103,958	118,288
Total expended on charitable activities		233,404	46,123	279,527	359,585
Net incoming resources:					
- Net income/(expenditure)/ for the year		5,765	13,013	18,778	(61,121)
Net movement of funds in the year	9	5,765	13,013	18,778	(61,121)
Total funds at 1 April		20,658	5,745	26,403	87,524
Total funds at 31 March		26,423	18,758	45,181	26,403

Group and Company Balance Sheet as at 31 March 2009

	Notes	Group 2009 £	Group 2008 £	Trust 2009 £	Trust 2008 £
Fixed Assets					
Investment in Subsidiary	19	-	-	1	1
Tangible assets	20	9,316	14,978	9,316	14,304
Total Fixed Assets		9,316	14,978	9,317	14,305
Current Assets					
Stocks of food and beverages		2,658	2,706	-	-
Debtors	11	22,588	16,628	16,995	12,448
Cash at bank and in hand		79,238	66,826	73,022	61,675
Total Current Assets		104,484	86,160	90,017	74,123
Creditors:					
Amounts falling due within one year	12,13	68,619	74,735	54,153	61,939
Net Current Assets		35,865	11,425	35,864	12,184
Total Net Assets	15	45,181	26,403	45,181	26,489
Unrestricted funds					
Designated Funds	15,16	12,000	11,180	12,000	11,180
General Funds	16	14,423	9,478	14,423	9,564
		26,423	20,658	26,423	20,744
Restricted Funds	17	18,758	5,745	18,758	5,745
Total Funds		45,181	26,403	45,181	26,489

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities. The notes on pages 13 to 22 form part of these accounts.

Approved by the Board of Directors on 16 December 2009 and signed on its behalf by:


Bill Tyler, Chair

Charity number: 1093908
Company number: 04099007

**Notes forming part of the Consolidated Financial Statements
for the year ended 31 March 2009**

1. Accounting Policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), the Financial Reporting Standard for Smaller Entities (effective January 2007), the Companies Act 1985 and the Charities Act 1993. Consolidated accounts have been prepared for the charity and its trading subsidiary, Avenue House Services Limited. The results of the subsidiary have been consolidated on a line by line basis. The charity has taken advantage of S.230 Companies Act 1985 and has not prepared a separate Statement of Financial Activities for the charity. The financial activities of the charity is shown in note 4.
- b) Voluntary income is received by way of donations, gifts and the related gift aid and is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.
- c) Donations of items for display within Avenue House are brought into account at a reasonable estimate of their gross value to the charity where this value can be reasonably ascertained. Where the value of the item cannot be reasonably ascertained, and a valuation is not considered to be appropriate by the Trustees, a general description of such items is provided.
- d) Grants, including grants for the purchase of fixed assets, are recognized in full in the Statement of Financial Activities in the year in which they are receivable.
- e) Funds received in the capacity of an agent, for onward transmission to another charity, are not recognised as income.
- f) 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.
- g) 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.
- h) 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.
- i) Any fixed assets purchased for more than £1,000 are capitalised and recognized at cost.

- j) 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.
- k) Stocks of food and beverages are stated at the lower of cost and net realisable value.
- l) 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.
- m) 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.
- n) 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.
- o) Deferred income comprises amounts received in advance in respect of rental and room hire.
- p) Accrued income comprises amounts due during the year but received after the year end in respect of grants receivable and commission income.
- q) A Stakeholder Pension Scheme has been arranged for those members of staff who are eligible to join. No members of staff have yet joined the scheme.
- r) Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2. Grants received

	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
Big Lottery	-	9,780	9,780	-
Biffaward	-	36,412	36,412	-
Total Grants	-	46,192	46,192	-

3. Donations Received

	Unrestricted	Restricted	2009 Total	2008 Total
	£	£	£	£
Friends of the Grounds donations	5,118	2,944	8,062	2,024
Bothy Garden donations	-	-	-	10,920
Tea Room donations	-	10,000	10,000	-
General donations	6,443	-	6,443	7,704
Gift Aid recoverable	3,019	-	3,019	3,814
Total Donations	14,580	12,944	27,524	24,462

4. Financial activities

Financial activities of the charity

The financial activities shown in the consolidated statement include those of the charity's wholly owned subsidiary, Avenue House Services Limited. A summary of the financial activities undertaken by the charity is set out below:

	2009 £	2008 £
Gross incoming resources	315,304	317,386
Total expenditure on charitable activities	(279,527)	(359,584)
Governance costs	(17,083)	(18,500)
Net incoming resources	18,692	(60,699)
Total funds brought forward	26,489	87,187
Total funds carried forward	45,181	26,489
Represented by:		
Restricted income funds	18,758	5,746
Unrestricted income funds	26,423	20,743
	45,181	26,489

4. Financial activities (continued...)

Commercial Trading Operations

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

	2009	2008
	£	£
Turnover	123,813	137,188
Cost of sales and administration expenses	(107,464)	(115,487)
Rent paid to the Trust	(6,000)	(6,000)
Audit and accounting (Governance costs)	(5,278)	(4,500)
Net Interest receivable	87	286
Net Profit	5,158	11,487
Amount gift aided to the Trust	5,074	11,908
Retained earnings	84	(421)

The assets and liabilities at 31 March were:

Fixed assets	-	673
Current assets	15,126	14,709
Current liabilities	(15,125)	(15,465)
Total Net Assets/(Liabilities)	1	(83)
Aggregate share capital and reserves	1	(83)

5. Other Incoming Resources

Other Incoming Resources of £9,192 (2008: £58,972) includes £8,320 (2008: £58,450) in respect of insurance money received as a result of the theft of lead from the roof of one of the buildings on the estate. The roof has been repaired and the relevant costs are included in the Maintenance of the Estate Buildings.

6. Governance Costs

	Unrestricted	Restricted	2009	2008
	£	£	Total	Total
	£	£	£	£
Auditors' remuneration	6,000	-	6,000	6,000
Accounting and advisory	8,297	-	8,297	9,089
Book-keeping costs	750	-	750	750
Trustees' indemnity insurance	850	-	850	821
Allocated staff costs	6,464	-	6,464	6,340
Total Governance Costs	22,361	-	22,361	23,000

In the above table, Allocated staff costs relates to the relevant activity of the Trustee Manager.

7. Resources Expended on Charitable Activities

	Building Maintenance £	Grounds Maintenance £	Community Use £	2009 Total £	2008 Total £
<u>Direct Costs</u>					
Staff costs	-	59,553	4,357	63,910	64,651
Grounds maintenance	-	43,004	-	43,004	17,726
Building maintenance	18,321	-	-	18,321	77,234
Catering supplies	-	-	1,795	1,795	5,300
General supplies	900	-	580	1,480	3,038
Rates and water usage	(19,716)	2,427	693	(16,596)	12,588
Cleaning	3,960	660	1,980	6,600	6,578
Total Direct Costs	3,465	105,644	9,405	118,514	187,115
<u>Allocated Costs</u>					
Staff costs	15,114	6,850	19,281	41,245	56,503
Insurance	7,530	1,120	8,267	16,917	16,684
Legal & Professional Fees	8,952	810	2,929	12,691	5,169
Light and heat	5,364	-	12,515	17,879	13,799
Depreciation of fixed assets	140	2,170	2,679	4,989	8,739
Sundries	555	185	185	925	1,156
Total Allocated Costs	37,655	11,135	45,856	94,646	102,050
<u>Administration Costs</u>					
Staff costs	6,587	9,696	42,793	59,076	60,128
Printing, postage and stationery	509	170	2,713	3,392	4,645
Advertising	103	34	550	687	1,145
Telephone	375	125	1,999	2,499	2,786
Bank and credit card charges	35	36	642	713	1,716
Total Administration Costs	7,609	10,061	48,697	66,367	70,420
<u>Total Resources Expended on Charitable Activities</u>	48,729	126,840	103,958	279,527	359,585

In the above table:-

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

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

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

8. Staff costs and numbers

	Group 2009 £	Group 2008 £	Trust 2009 £	Trust 2008 £
Salaries and Wages	194,589	223,404	157,612	174,958
Social Security Costs	16,229	16,171	13,082	12,665
Total Staff Costs	210,818	239,575	170,694	187,623

Included within Group salaries and wages are Trustees' emoluments of £35,000 (see note 18).

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

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

	Group 2009	Group 2008	Trust 2009	Trust 2008
Trading subsidiary employees	3	4	-	-
Maintenance of the Estate buildings	1	2	1	2
Maintenance of the Estate grounds	4	4	4	4
Use of the Estate by the Community	3	4	3	4
Total Employees	11	14	8	10

9. Movement in total funds for the year

	Group 2009 £	Group 2008 £	Trust 2009 £	Trust 2008 £
This is stated after charging:				
Auditors' remuneration:-				
External audit	6,000	6,000	4,500	4,500
Accountancy and advisory services	8,297	9,089	4,769	4,250
Operating leases for equipment	1,345	2,111	545	1,311
Depreciation	5,662	9,413	4,989	8,739

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 2009 £	Group 2008 £	Trust 2009 £	Trust 2008 £
Trade debtors	13,053	12,926	9,531	10,098
Prepayments and accrued income	7,464	2,350	7,464	2,350
VAT Receivable	2,071	1,352	-	-
Total Debtors	22,588	16,628	16,995	12,448

12. Creditors

	Group 2009 £	Group 2008 £	Trust 2009 £	Trust 2008 £
Creditors	18,729	27,013	13,841	22,696
Accruals	14,425	14,037	9,000	8,750
Taxation and social security	4,475	3,935	4,475	3,935
Payable to Trading Company	-	-	661	2,669
Deferred Income (note 13)	30,990	29,750	26,176	23,889
Total Creditors	68,619	74,735	54,153	61,939

13. Deferred Income

	Group 2009 £	Group 2008 £	Trust 2009 £	Trust 2008 £
Balance at 1 April	29,750	25,570	23,889	18,828
Recognised as income during the year	(29,750)	(25,570)	(23,889)	(18,828)
Amount deferred during the year	30,990	29,750	26,176	23,889
Balance at 31 March	30,990	29,750	26,176	23,889

Deferred income comprises amounts received in advance for room bookings and room leasing in respect of expenditure to be incurred after 31 March 2009.

14. Operating Lease Commitments

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

	2009 £	2008 £
One year	-	218
Between two and five years	800	800
Total commitments	800	1,018

15. Analysis of net assets between funds - Group

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Balance at 1 April 2008	9,478	11,180	5,745	26,403
Net income for the year	4,945	820	13,013	18,778
Balance at 31 March 2009	14,423	12,000	18,758	45,181

16. Purposes of designated funds and restricted funds

The Board has designated funds towards future repair work required on the building. The Trustees aim to have a financial reserve of at least £50,000 as soon as possible.

Restricted funds held at 31 March 2009 were received from donors to be used in respect of construction of the proposed tea rooms and fencing in the grounds.

17. Restricted funds

	At 1 April 2008 £	Incoming resources £	Outgoing resources £	At 31 March 2009 £
Milly Apthorp Trust	5,000	-	-	5,000
Big Lottery Fund	-	9,780	6,767	3,013
Biffaward	-	36,412	36,412	-
Public Donations – tea rooms	745	10,000	-	10,745
Public Donations – Friends of the Grounds	-	2,944	2,944	-
Total Restricted Funds	5,745	59,136	46,123	18,758

18. Related parties

Two Trustees of Avenue House Estate Trust, Janett Durrant and Mel Hooper, were paid during the year. The Charity Commission has authorized payments to Janett Durrant as Trustee Manager, for which her remuneration amounted to £35,000 (2008: £35,000). Mel Hooper received £750 (2008: £750) for accounting services. In addition The Charity Commission has approved the Trust's employment of M. Brown, the son of Trustee Andrew Brown, on normal commercial terms. Mr. M. Brown's remuneration in the year was £5,049 (2008: £11,040).

One Trustee received reimbursement for expenses incurred during the year. The total amount reimbursed was £143 (2008: £168). The expenses were reimbursed for postage, stationery, travel expenses and equipment hire.

A reimbursement of £1,466 was made during the year to one trustee in respect of an arms length purchase for maintenance of the property.

Janett Durrant advanced £4,750 to the Trust during the last quarter of 2007. This interest free loan was included in the Trust's creditors at the end of the last financial year and has been repaid during the year covered by these Financial Statements.

19. Investment in Subsidiary

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

20. Tangible assets

Inalienable and historic assets

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

Avenue House Estate Trust has insured the property and tenants' improvements for £7,000,000. 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.

20. Tangible assets (continued...)Group Fixed Assets

	Land & Buildings £	Plant & Equipment £	Fixtures & Fittings £	Office Equipment £	Computer Equipment £	Total £
Cost						
As at 1 April 2008	4,520	19,300	4,912	3,581	14,096	46,409
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31 March 2009	4,520	19,300	4,912	3,581	14,096	46,409
Depreciation						
As at 1 April 2008	-	16,590	1,818	2,467	10,556	31,431
Charge for the year	45	1,970	491	716	2,440	5,662
As at 31 March 2009	45	18,560	2,309	3,183	12,996	37,093
Net Book Value						
As at 31 March 2009	4,475	740	2,603	398	1,100	9,316
As at 1 April 2008	4,520	2,710	3,094	1,114	3,540	14,978

The Computer Equipment column in the above table includes equipment acquired during the year to 31 March 2007 by AHSL, at a cost of £2,021. Depreciation charge of £674 and the consequent net book value of NIL (2008: £674) are also included above. These values have been included in the trading company's accounts for the year.

21. Future trading and the current economic climate

The trustees consider that the income stream will continue as forecast and unplanned expenditure will be minimal. The going concern basis is therefore considered to be appropriate as a basis of accounting.

However, there are significant uncertainties relating to the level of grants and donations receivable by the charity and the maintenance of room bookings during the current economic climate. There are also significant uncertainties relating to potential expenditure on the maintenance of the property. These conditions may cast doubt on the ability of group and charity to continue as a going concern.