

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

11. Staff costs

	Group 2012	Group 2011	Trust 2012	Trust 2011
	£	£	£	£
Wages and salaries	1,783,272	1,585,356	278,264	234,900
Social security costs	143,382	137,542	22,559	20,958
Pension costs	149,908	123,945	43,488	46,540
Agency staff costs	403,050	316,883	43,938	40,718
	<u>2,479,612</u>	<u>2,163,726</u>	<u>388,249</u>	<u>343,116</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 were:

	2012 Number	2011 Number
£60,000 - £70,000	2	-
£70,000 - £80,000	-	1
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-

Employer contributions to the defined contribution pension scheme for employees earning over £60,000 in the year were £9,000 (2011: £9,000) relating to one (2011: one) employee. The number of employees earning over £60,000 to whom retirement benefits are accruing under defined benefit schemes is one (2011: one).

The average number of employees, analysed by function, including both permanent employees and casual staff calculated on a full-time equivalent basis (number of permanent employees only illustrated by the bracketed figures) was:

	Group 2012	Group 2011	Trust 2012	Trust 2011
	£	£	£	£
Ice rink	18 (3)	10 (4)	-	-
Repairs and maintenance including park	2 (2)	2 (2)	2 (2)	2 (2)
Cost of generating funds	42 (20)	37 (19)	-	-
Support costs	1 (1)	1 (1)	1 (1)	1 (1)
Management and administration	10 (10)	10 (10)	1 (1)	1 (1)
	<u>73 (36)</u>	<u>60 (36)</u>	<u>4 (4)</u>	<u>4 (4)</u>

Of the 18 full-time equivalent staff working in the ice rink in 2012, 2 permanent and 1 casual staff were employed by the Trust but seconded to the trading company.

12. Taxation

Alexandra Park and Palace Charitable Trust is a registered charity. As such its sources of income and gains, received under Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992, are exempt from taxation to the extent that they are applied exclusively to its charitable objectives. The trading subsidiary donates the bulk of its taxable profits to the Trust under Gift Aid. No tax charge has arisen in the year.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

10 Analysis of costs by activity (continued)

Trust	Basis of allocation	Security of building and park £	Community events £	Leases and concessions £	Park and Palace running costs £	Governance £	Total 2012 £	Total 2011 £
Costs directly allocated to activities								
Salaries	Direct	491,812	-	-	650,707	-	1,142,519	1,103,193
Professional fees	Direct	-	-	-	98,024	-	98,024	71,677
Audit fees	Direct	-	-	-	-	18,660	18,660	23,431
Direct costs	Direct	-	610	-	1,187,359	-	1,187,969	963,517
Total direct costs		491,812	610	-	1,936,090	18,660	2,447,172	2,161,818
Support costs allocated to activities								
General office and finance support	Staff time and area average	98,180	664	5,129	100,684	37,287	241,944	215,080
Staff	Staff time and area average	172,505	1,167	9,012	176,905	40,000	399,589	339,528
Apportioned overhead cost	Staff time and area average	17,883	-	596	18,861	-	37,340	31,895
Apportioned support cost								
Total support costs		288,568	1,831	14,737	296,450	77,287	678,873	586,503
Total for Trust		780,380	2,441	14,737	2,232,540	95,947	3,126,045	2,748,321

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

10. Analysis of costs by activity

Group	Basis of allocation	Cost of generating funds £	Security of building and park £	Community events £	Leases and Concessions £	Park and Palace running costs £	Governance £	Total 2012 £	Total 2011 £
Costs directly allocated to activities									
Expenditure of trading									
Subsidiary	Direct	5,751,375	-	-	-	-	-	5,751,375	4,572,005
Salaries	Direct	-	491,812	-	-	650,707	-	1,142,519	1,103,193
Professional fees	Direct	-	-	-	-	98,024	-	98,024	71,677
Audit fees	Direct	-	-	-	-	-	37,069	37,069	50,616
Direct costs	Direct	-	-	610	-	1,187,359	-	1,187,969	963,517
Total direct costs		5,751,375	491,812	610		1,936,090	37,069	8,216,956	6,761,008
Support costs allocated to activities									
General office and finance support									
Staff	Staff time and area average	-	98,180	664	5,129	100,684	37,287	241,945	215,080
	Staff time and area average	-	172,505	1,167	9,012	176,905	40,000	399,589	339,528
	Staff time and area average	-	17,880	-	596	18,861	-	37,340	31,895
Total support costs		-	288,568	1,831	14,737	296,450	77,287	678,873	586,503
Total for Trust		5,751,375	780,380	2,441	14,737	2,232,540	114,356	8,895,829	7,347,511

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

8. Support costs

	2012	2011
Group and Trust	£	£
Wages and salaries	241,945	215,080
Overheads	436,929	371,423
	<u>678,874</u>	<u>586,503</u>

9. Net outgoing resources

	2012	2011
	£	£
Net outgoing resources is stated after charging:		
Auditor's remuneration: audit fee	32,800	29,661
Auditor's remuneration: taxation	3,000	3,000
Operating lease rentals - land and buildings	9,283	26,922
Operating lease rentals - plant & machinery	10,145	14,849
Depreciation	<u>312,817</u>	<u>7,167,525</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

7. Analysis of total resources expended

Group	Direct costs £	Support costs	Total 2012 £	Total 2011 £
Costs of generating funds				
Expenditure of trading subsidiary	5,751,375	-	5,751,375	4,572,005
Charitable expenditure				
Community events	610	1,831	2,441	8,235
Leases and concessions	-	14,738	14,738	12,589
Park and Palace running costs	1,936,090	296,450	2,232,540	1,935,591
Security of building/park	491,812	288,569	780,381	695,834
	<u>2,428,512</u>	<u>601,588</u>	<u>3,030,100</u>	<u>2,652,249</u>
Governance costs				
Wages and salaries	-	37,287	37,287	32,641
Professional fees	-	40,000	40,000	40,000
Audit fee	37,069	-	37,069	50,616
	<u>37,069</u>	<u>77,287</u>	<u>114,356</u>	<u>123,257</u>
Total for Group	<u>8,216,956</u>	<u>678,875</u>	<u>8,895,831</u>	<u>7,347,511</u>
	Direct costs £	Support costs	Total 2012 £	Total 2011 £
Trust only				
Charitable expenditure				
Community events	610	1,831	2,441	8,235
Leases and concessions	-	14,738	14,738	12,589
Park and Palace running costs	1,936,090	296,450	2,232,540	1,935,591
Security of building/park	491,812	288,569	780,381	695,834
	<u>2,428,512</u>	<u>601,588</u>	<u>3,030,100</u>	<u>2,652,249</u>
Governance costs				
Wages and salaries	-	37,287	37,287	32,641
Professional fees	-	40,000	40,000	40,000
Audit fee	18,660	-	18,660	23,431
	<u>18,660</u>	<u>77,287</u>	<u>95,947</u>	<u>96,072</u>
Total for Trust	<u>2,447,172</u>	<u>678,875</u>	<u>3,126,047</u>	<u>2,748,321</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

4. Activities for generating funds

	2012	2011
Group	£	£
Income from events	5,010,360	3,848,366
Income from the ice rink	1,137,201	396,840
Income from the Bar & Kitchen	724,541	501,443
Other	9,000	-
	<u>6,881,102</u>	<u>4,746,649</u>
Trust only		
Gift aid payment from subsidiary	893,248	72,150
Licence fee	170,000	100,000
	<u>1,063,248</u>	<u>172,150</u>

The ice rink was closed for refurbishment between May 2010 and January 2011 which had a significant impact on the profit of the trading company in 2011, as evidenced by the reduced gift aid payment for that year. The lower licence fee in 2011 reflects the fact that the trading company was unable to trade in the ice rink and ice rink café for nine months of that financial year.

5. Incoming resources from charitable activities

	2012	2011
Group and Trust	£	£
Community events	51,550	32,554
Leases and concessions	180,898	177,885
	<u>232,448</u>	<u>210,439</u>

6. Investment income

	2012	2011
Group	£	£
Bank interest	6,682	1,894
	<u>6,682</u>	<u>1,894</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

2. Accounting policies (continued)

Leased assets

All leases are operating leases and the annual rentals are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Pension contributions

The Group operates a defined benefit pension scheme on behalf of certain employees of Alexandra Palace Trading Limited ('APTL'). The scheme is administered by Haringey Council, although the pension funds relating to the APTL employees are held in a separately managed pool within the overall Haringey scheme. The deficit on the scheme is included within the balance sheet at 31 March 2012.

The difference between the fair value of the assets held in the defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's balance sheet as a pension scheme asset or liability as appropriate.

Changes in the defined benefit pension scheme assets or liabilities arising from other factors than cash contributions by the Group are charged to the Statement of Financial Activities in accordance with FRS17.

The Group also operates a defined benefit pension scheme on behalf of certain employees of Alexandra Park and Palace Charitable Trust, also administered by Haringey. However, the pension funds relating to the APPCT employees are not included in a separate pool and as such, it is not practical for a full FRS 17 valuation for the Trust staff to be disaggregated from the London Borough of Haringey pension fund. Furthermore, a separate valuation would not be relevant as the Trust staff are treated as Council employees for pension fund purposes. For this reason, the scheme has been treated as a defined contribution scheme for the purpose of the financial statements.

The Group also operates a defined contribution pension scheme on behalf of certain employees. For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

3. Voluntary income

Voluntary income represents unrestricted and restricted donations to the Trust and includes a £520,126 (2011: £441,022) restricted capital grant from London Borough of Haringey for priority capital works to the building.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

2. Accounting policies (continued)

Investments

Fixed asset investments are shown at cost less provision for impairment in value in the Trust's accounts.

Valuation of fixed assets

The Act that established the Trust and set down the framework within which it should operate places restrictions on asset disposal. In the past no value has been put on the Park and Palace as this is deemed to be an inalienable asset as the Act of Parliament places restrictions on its disposal. With regard to assets brought forward at the beginning of the year this policy has continued as reliable cost information is not available and conventional valuation approaches lack sufficient reliability and significant costs would be involved which may be onerous compared with the additional benefit derived by users of the accounts. For new assets the Trust has adopted a policy of capitalising improvements to the buildings and other assets purchased.

Tangible fixed assets are shown at cost, less accumulated depreciation to date. Depreciation is provided on all tangible fixed assets and is calculated at rates designed to write off the cost of fixed assets over their expected useful lives. The rates applied are as follows:

Improvements to Palace and Park:	-	on a straight line basis over 10 to 20 years
Plant and machinery:	-	on a straight line basis over 10 years
Office equipment, furniture and fittings:	-	on a 25% reducing balance basis

Valuation of stocks

Stocks consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value.

Bank account

The Alexandra Park and Palace bank account is included in the arrangements for the Council's pooled account. This amount is included in the balance sheet both as an asset and as an amount due to Haringey Council.

Provisions for liabilities

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 2011/2012. Haringey Council may also be entitled to indemnification for the years 1988/89 to 1990/91, and this amount has also been provided for in the accounts.

Both of these amounts include interest charged for the outstanding revenue deficits at the Council's Loan Pool Rate, up to 2004/05. No interest was charged between 2005/2006 and 2011/2012 as the Council has now written off that the debt in its accounts. However, as disclosed in the London Borough of Haringey accounts, the Council has not discharged this debt on the basis that it will still collect should the trust be in a position in the future to fully or partially repay. On this basis the trustees have continued to carry the liability in the Trust's accounts.

Related party transactions

Because of the close and unique relationship between Haringey Council and Alexandra Park and Palace, there are a significant number of transactions between the two parties. The extent of this relationship is detailed in Note 21 to the financial statements.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

1. Basis of accounting

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), and applicable accounting standards.

2. Accounting policies

Basis of consolidation

The consolidated financial statements comprise those of the Trust and its wholly-owned subsidiary, Alexandra Palace Trading Limited. The results of the subsidiary are consolidated on a line by line basis.

Fund accounting and permanent endowment

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for a particular purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

The designated capital fund represents the net book value of fixed assets purchased with capital grant funding from the Council in 2009/10 and 2010/11.

The unrestricted fund represents the accumulated surpluses and deficits of the Group. The funds generated by the Trust are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust is legally entitled to the income, it is virtually certain that the incoming resource will be received and the amount can be quantified with reasonable accuracy. The financial statements therefore reflect income due to the Group but not received by the end of the year.

Funds received for the purchase of fixed assets are accounted for as restricted income. The treatment of the assets provided depends upon the restriction imposed by the grant and as the fixed assets' acquisition discharges the restriction then the assets will be held in designated funds. A corresponding transfer of the associated restricted income will be made to the designated fund in the year of purchase.

Deferred income within creditors is made up of advance lease payments, together with payments that have been received for events that will take place in future years. The bulk of this sum relates to the charity's trading company, Alexandra Palace Trading Limited.

Resources expended and the allocation of expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to this category. Where costs cannot be attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Allocated costs have been allocated on the average of floor area basis and head count basis.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

Support costs are those costs incurred in support of the expenditure on the objects of the Trust. These support costs are allocated across the categories of charitable expenditure, governance costs and the cost of generating funds.

Alexandra Park and Palace Charitable Trust

Consolidated cash flow statement For the year ended 31 March 2012

	Group 2012 £	Group 2011 £
Net cash inflow from operating activities	2,709,218	632,216
Returns on investments		
Interest received	6,682	1,894
Capital expenditure		
Fixed asset additions	(456,034)	(2,682,127)
Cash inflow/(outflow) before financing	<u>2,259,866</u>	<u>(2,048,017)</u>
Financing	78,069	2,103,278
Cash at 1 April	998,904	943,643
Cash at 31 March	<u><u>3,336,838</u></u>	<u><u>998,904</u></u>

Note to the consolidated cash flow statement

	Group 2012 £	Group 2011 £
Reconciliation of net outgoing resources to net cash outflow from operating activities		
Net outgoing resources before other recognised losses and transfers	(1,255,088)	(1,922,195)
Depreciation	312,817	167,524
Charges (less than)/in excess of pension contributions	(50,000)	25,000
Interest receivable	(6,682)	(1,894)
(Increase)/decrease in stocks	(1,138)	3,784
Decrease/(increase) in debtors	196,687	(352,513)
Increase in creditors	791,706	1,169,725
Increase in provisions	2,720,916	1,542,785
Net cash inflow from operating activities	<u><u>2,709,218</u></u>	<u><u>632,216</u></u>

Alexandra Park and Palace Charitable Trust

Consolidated and trust balance sheets As at 31 March 2012

	Note	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Fixed assets					
Tangible assets	13	3,280,810	3,137,593	3,268,964	3,122,805
Investments	14	-	-	2	2
		3,280,810	3,137,593	3,268,966	3,122,807
Current assets					
Stocks	15	97,681	96,543	-	-
Debtors: due within one year	16	1,035,664	1,217,351	1,677,769	204,968
Debtors: due after more than one year	17	-	15,000	-	294,831
Cash at bank and in hand		3,336,838	998,904	57,307	90,348
		4,470,183	2,327,798	1,735,076	590,147
Creditors: amount falling due within one year	18	(3,706,750)	(2,637,167)	(761,217)	(901,802)
Net current assets		821,428	(309,369)	1,031,859	(311,655)
Total assets less current liabilities		4,102,242	2,828,224	4,300,825	2,811,152
Creditors: amounts falling due after more than one year	19	(2,091,055)	(2,290,865)	(2,091,055)	(2,070,460)
Provisions for liabilities	22	(45,586,473)	(42,865,557)	(45,586,473)	(42,865,557)
Net liabilities excluding pension scheme liability		(43,633,286)	(42,328,198)	(43,434,703)	(42,124,865)
Defined benefit pension scheme liability	28	(466,000)	(349,000)	-	-
Net liabilities including pension scheme liability		(44,099,286)	(42,677,198)	(43,434,703)	(42,124,865)
Accumulated deficit					
Unrestricted deficit funds		(44,711,522)	(42,987,134)	(44,512,939)	(42,783,801)
Designated capital fund		1,073,793	649,960	1,073,793	649,960
Pension reserve		(466,000)	(349,000)	-	-
	25	(44,103,729)	(42,686,174)	(43,439,146)	(42,133,841)
Restricted funds		4,443	8,976	4,443	8,976
Total deficit		(44,099,286)	(42,677,198)	(43,434,703)	(42,124,865)

Approved by the Board of Trustees on 24 July 2012 and signed on its behalf by:

Councillor Matt Cooke

The notes on pages 16 to 36 form an integral part of these financial statements.

Alexandra Park and Palace Charitable Trust

Trust statement of financial activities For the year ended 31 March 2012

	Note	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	135	520,126	520,261	462,205
Activities for generating funds	4	1,063,248	-	1,063,248	172,150
Incoming resources from charitable activities	5	232,448	-	232,448	210,439
Other incoming resources		250		250	4,129
Total incoming resources		1,296,080	520,126	1,816,206	5,425,316
Resources expended:					
Charitable activities					
Governance costs		3,025,566	4,533	3,030,099	2,652,249
		95,946	-	95,946	96,072
Total resources expended	7, 10	3,121,512	4,533	3,126,045	2,748,321
Net outgoing resources before transfers		(1,825,431)	515,593	(1,309,838)	(1,899,398)
Transfers		520,126	(520,126)	-	-
Net movement in funds		(1,305,305)	(4,533)	(1,309,838)	(1,899,398)
Opening deficit fund balance 1 April		(42,133,841)	8,976	(42,124,865)	(40,225,467)
Closing deficit fund balance	25	(43,439,146)	4,443	(43,434,703)	(42,124,865)

The notes on pages 16 to 33 form an integral part of these financial statements. All of the above amounts are derived from continuing activities. There were no other recognised gains or losses in either year except for those dealt with above.

Alexandra Park and Palace Charitable Trust

Consolidated statement of financial activities For the year ended 31 March 2012

	Notes	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	135	520,126	520,261	462,205
Activities for generating funds	4	6,881,101	-	6,881,101	4,746,649
Incoming resources from charitable activities	5	232,448	-	232,448	210,439
Investment income	6	6,682	-	6,682	1,894
Other incoming resources		250		250	4,129
Total incoming resources		7,120,616	520,126	7,640,742	5,425,316
Resources expended:					
Cost of generating funds					
Fundraising Trading cost of goods sold and other costs		5,751,375	-	5,751,375	4,572,005
Charitable activities		3,025,566	4,533	3,030,099	2,652,249
Governance costs		114,355	-	114,355	123,257
Total resources expended	7, 10	8,891,296	4,533	8,895,829	7,347,511
Net outgoing resources before other recognised losses and transfers		(1,770,680)	515,593	(1,255,087)	(1,922,195)
Transfers		520,126	(520,126)	-	-
Actuarial loss on pension scheme		(167,000)	-	(167,000)	654,000
Net movement in funds		(1,417,554)	(4,533)	(1,422,087)	(1268,195)
Opening deficit fund balance 1 April		(42,686,172)	8,974	(42,677,198)	(41,409,003)
Closing deficit fund balance	25	(44,103,726)	4,441	(44,099,285)	(42,677,198)

The notes on pages 16 to 36 form an integral part of these financial statements. All of the above amounts are derived from continuing activities.

Alexandra Park and Palace Charitable Trust

Independent auditor's report to the Trustees of Alexandra Park and Palace Charitable Trust (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Deloitte LLP

Chartered Accountants and Statutory Auditor

London, UK

[Date]

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

Alexandra Park and Palace Charitable Trust

Independent auditor's report to the Trustees of Alexandra Park and Palace Charitable Trust (continued)

We have audited the group and parent charity financial statements of Alexandra Park and Palace Charitable Trust for the year ended 31 March 2012 which comprise the Consolidated Statement of Financial Activities, the Trust Statement of Financial Activities, the Consolidated and Trust Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and The Alexandra Park and Palace (Public Purposes) Act 1900. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act and The Alexandra Park and Palace (Public Purposes) Act 1900. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2012, 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 Charities Act 2011 and The Alexandra Park and Palace (Public Purposes) Act 1900.

Alexandra Park and Palace Charitable Trust

Statement of directors' responsibilities

Related Parties

- 5.8 The Alexandra Park and Palace Charitable Trust does not have any formal links with other charities. It does, however, work closely with other charities through the facilities provided for community uses and the relationship with the Consultative Committee, whose membership comprises representatives of many local charitable organisations.
- 5.9 The "friends" group for the theatre was set up to promote activities to raise awareness of and funds for the refurbishment of the Victorian theatre. The theatre group has benefited from wide publicity and has attracted some high profile celebrities as patrons to support its work.
- 5.10 The other relevant body with whom the Trust has direct links is Haringey Council as corporate trustee. The registered address of the Council is Civic Centre, High Road, Wood Green, London N22 8LE.

Auditor

- 5.11 The Board of Alexandra Park and Palace Charitable Trust has resolved to re-appoint Deloitte LLP as auditor to the Trust for the financial year ended 31 March 2013.

This report was approved and authorised for issue by the Trust on x date and signed on its behalf by:

Councillor Matt Cooke
Chair of the Board of Trustees

Alexandra Park and Palace Charitable Trust

Statement of directors' responsibilities

Statement of trustees' responsibilities

- 5.3 The trustees are responsible for preparing the Annual Report and the financial statements. The trustees have chosen to prepare the financial statements for the charity and the Group in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

United Kingdom charity law requires the trustees to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the Group and of the financial activities for that period. In preparing those financial statements, the trustees 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;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the Group and which enable them to ensure that the financial statements comply with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005). They are also responsible for safeguarding the assets of the charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future Plans

- 5.4 The trustees are firmly committed to the regeneration of Alexandra Palace and Park to safeguard these important and historic assets for future generations. A conservation plan and a spatial masterplan have both been drawn up and the results have been the subject of a public consultation exercise during June 2012. Once the results of the consultation have been analysed more detailed plans will be drawn up which are likely to include an application for Heritage Lottery Funding for the theatre and part of the BBC studios and an approach to potential private sector partners to implement other aspects of the plan.
- 5.5 While the project to regenerate Alexandra Palace continues, the trustees intend to use the charity's limited resources to ensure that the delivery of its charitable activities is continued and expanded. Key areas of buildings dilapidations will continue to be addressed using the £500,000 capital grant from the Council.
- 5.6 The appointment of a new Chief Executive to lead both the Trust and the trading company has resulted in closer working and a more integrated approach to planning and decision making. A revised business plan to 2015/16 has been drawn up spanning both entities to provide a "base case" which shows how the Trust would develop without regeneration. The business plans for individual regeneration projects are also being prepared and adjusted as proposals are refined in the light of the public consultation.
- 5.7 Alexandra Palace Trading Limited will continue to focus on its events business, which has brought in an exciting calendar of live music events for the coming year and secured Holland Heineken House for the Olympic Games in 2012. The Company is also expanding its portfolio of live sport, exhibitions, conferences and other events. The Company will continue to build on the success of the re-launched ice rink facility and re-branded Bar & Kitchen pub, with targeted investments in "spend to save" and revenue generating initiatives with a quick payback.

Alexandra Park and Palace Charitable Trust

Statement of directors' responsibilities

5. Financial review

- 5.1 The Trust continues to benefit from substantial funding from its corporate trustee, London Borough of Haringey. All the available net revenue income is directed toward the provision and maintenance of the assets, namely the 79 hectares of parkland and the Grade II listed Victorian property. The charity does not have any capital reserves and limited alternative sources of funding and has not therefore considered it appropriate to develop a formal reserves policy. Trust expenditure is guided by the basic objects of the Trust and aimed toward maximising public benefit from the provision of the Palace and Park. The decisions on items of expenditure are made with independent professional advice, where necessary, in the overall context of the available budget.

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing financial support of the corporate trustee. It is the Council's current policy to continue to provide funding to the Alexandra Park and Palace Charitable Trust until such time as the support of the Council is no longer required. The Council has confirmed in writing that it has considered and approved within its budgets funding, including ongoing revenue support, for the Trust for a period of not less than twelve months from the date of signing the accounts.

The results of Alexandra Palace Trading Limited are shown in Note 14 of the accounts. 2011/12 was a very good year for the Trading Company, enabling it to make a gift aid contribution of £893k to the Trust. The ice rink was back in operation following its closure for nine months of the 2010/11 and sales grew back up to and exceeded levels experienced before the closure. The events business put in a particularly strong performance with more concerts and a particularly successful Darts event. Following its rebranding the Bar and Kitchen pub also showed significant growth.

The Trust's running costs were £3.1 million and include significant expenditure on repairs to the building and equipment, maintenance of the building and park and security. Total income generated of £1.8m million results in an overall funding shortfall of £1.3 million. This shortfall is met by the London Borough of Haringey.

- 5.2 *In addition there is a cumulative sum of £45.5 million representing cumulative operating deficits of £28.2 million and associated accumulated interest charges of £17.3 million for the years 1989-2004.*

The corporate trustee has previously made arrangements for the funding of the deficit on an annual basis but has now written off that sum in its accounts. However, as disclosed in the London Borough of Haringey accounts the Council has not discharged this debt on the basis that it will still collect should the Trust be in a position in the future to fully or partially repay. On this basis the trustees have continued to carry the liability in the Trust's accounts.

Alexandra Park and Palace Charitable Trust

Statement of directors' responsibilities

Activities

- 4.2 In shaping the Trust's objectives and planning its activities for the year, the trustees have considered the Charity Commission's guidance on public benefit. The Trust's core areas of activity include:
- a) the provision and maintenance of the park for free use by the public, including the establishment and replacement of park footpaths and trails, the provision of a nature/wildlife conservation area, the planting of arboreta, ornamental flowerbeds and rose gardens, upkeep and improvement to a boating lake, children's zoo, children's play area, a skateboard park, cricket pitches, football fields and associated car parking;
 - b) the provision of outdoor events and activities, including a circus, farmer's market, pitch and putt course, children's funfairs, soft play facility, pedalos, school tours, a bicycle trail and the provision of displays and mini exhibitions;
 - c) the continued expenditure on the Victorian building, including the original theatre and organ; the original high definition television studios and the maintenance of areas within the Palace to provide a safe environment for the public; and
 - d) the hiring of space and the provision of catering for a wide range of public and private events including concerts, live sporting events, conferences, banquets, weddings and exhibitions, the running of the Bar & Kitchen public house and the ice rink. These activities are carried out via the Trust's wholly owned trading subsidiary, Alexandra Palace Trading Limited. The company's profits are paid annually to the Trust via gift aid to contribute towards the fulfilment of the Trust's charitable objectives.

Achievements for the year

- 4.3 2011/12 saw Alexandra Palace embrace our heritage with the opening of the BBC studios and transmitter hall to the public in celebration of 75 years of BBC television broadcast. The BBC also celebrated 50 years of Songs of Praise which saw a 6,000 attendance in the Great Hall with famous faces from across the years. Our sporting portfolio continued to grow with the World Darts Championships seeing another successful year completed and the much anticipated inaugural year of the Masters Snooker Championships which moved from their home at Wembley to their new home at Alexandra Palace, both events were broadcast on Sky and BBC respectively.
- 4.4 The 79 hectares of parkland continue to be a strong public attraction for both formal and informal recreation purposes. The park has held a Green Flag Award since 2008, was awarded Silver Gilt by London in Bloom in 2009 and 2011 and achieved the Green Heritage Award in 2010, 2011.
- 4.5 It has been an excellent yet challenging year for Alexandra Palace Trading Limited with over 120 unique events taking place. The amount of live events increased by 73% including 18 nights of music, the venue received its first "Cool Venue" Award from Prestige Events Publishers in recognition for excellent service delivery and creative customer experience. Alexandra Palace also received a top ten spot in Time Out magazine for "London's Best Live Music Venue" voted for by the Time Out readers. Gig of the Week was also won by the Black Keys who performed at Alexandra Palace in February.
- 4.6 The Trust secured £500,000 capital funding from London Borough of Haringey for 2011/12 to address key areas of buildings dilapidations. A number of capital projects have been completed in the year including:
- Fire alarm upgrade
 - Repairs to the fire main
 - Lift repairs
 - Repairs to street lighting
- 4.7 The Trust continued to make improvements in sustainability and value for money during the year, with the successful implementation of a savings plan in 2011 and the introduction of waste recycling bins across the site.

Alexandra Park and Palace Charitable Trust

Statement of directors' responsibilities

The systems can only provide a reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Governance and Regeneration

3.17 In 2011 the charity took significant steps towards improving its governance arrangements during the year. The Board adopted the NCVO Code of Good Governance and resolved to appoint Independent Advisors with specific skills, experience and expertise to assist the trustees with both the Regeneration Project and the overall governance of the charity.

3.18 During that year, following consultation with stakeholders, the Board adopted a new Mission and Vision to shape the future development of the site. The Mission is:

'To uphold, maintain and repair the Palace and to maintain the Park and Palace as a place of public resort and recreation and for other public purposes.'

This Mission is enshrined in the Alexandra Park and Palace Act 1985. The charity's Vision is:

'To regenerate Alexandra Palace & Park, in the pioneering spirit of our founders, creating a proud, iconic London destination with global appeal – a successful, valuable and sustainable asset for all, including the local community and stakeholders'.

The charity's Mission and Vision formed the cornerstone of an Options Appraisal and Feasibility Study on the future development of the site. The study drew on previous reports, studies and consultation exercises and involved detailed consultations with a wide range of stakeholders. The aim of the study was to identify a single 'strategic concept' for the site, which would be commercially viable whilst reflecting its history, heritage and community value.

On 9 May 2011, the Board agreed to adopt a strategic concept of 'Leisure and Entertainment' for Alexandra Palace with 'live music' as its core use, to underpin master planning for the site. Following a detailed survey of the palace by conservation architects Donald Insall Associates, a spatial master plan was prepared by Terry Farrell and Partners which highlighted how the palace could be improved, centred around six ideas: improving first impressions; upgrading the entrances; making it easier to move around; upgrading the main halls; creating a hotel in part of the palace and opening up the derelict spaces, including the theatre and BBC studios. On 7th June 2012 the Board agreed to proceed with a public consultation exercise based around the conservation report and the spatial masterplan, the results of which are currently being analysed.

Volunteers

3.19 The charity employs a number of volunteers in the conservation area and the Information Centre and hopes to develop further volunteering opportunities over the coming years. The charity would like to thank all its volunteers for their very valuable contribution to Alexandra Palace during the year.

4. Objects and activities

Charitable Objects

4.1 The principal object of Alexandra Park and Palace Charitable Trust is the maintenance as an open space and provision of the Park and Palace for the free use and recreation of the public forever, as defined in the 1985 Act.

Alexandra Park and Palace Charitable Trust

Statement of directors' responsibilities

The Consultative Committee

3.13 The trustees have established a Consultative Committee which does not have a statutory role but whose existence allows those organisations who have an interest in Alexandra Park and Palace to exchange views with and receive information from the Trust. The objects of the Consultative Committee are set out in its constitution as:

- 1) *To give representatives of appropriate local and national organisations the opportunity of full discussion on general matters affecting Alexandra Park and Palace;*
- 2) *To give the Board of Charity Trustees the opportunity of discussing and explaining to the organisations matters affecting the overall policy and efficient management of Alexandra Park and Palace;*
- 3) *To promote better understanding between the Board of Charity Trustees and local organisations;*
- 4) *To enable appropriate local (and national) organisations to participate in decisions of direct concern to them; and*
- 5) *To further Alexandra Park and Palace as a conservation area.*

Group Structure and Relationships

3.14 The charity has a wholly owned non-charitable trading subsidiary, Alexandra Palace Trading Ltd. whose objectives, activities and performance are described in paragraphs 4.2, 4.6 and 5.1 below.

Risk Management

3.15 The trustees have overall responsibility for ensuring that adequate systems of control, financial and otherwise, exist. They are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other regularities and providing reasonable assurance that;

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposal;
- proper records are maintained and financial information is reliable; and
- the charity complies with relevant laws and regulations.

The Trust maintains a formal risk management framework and detailed risk register to identify and monitor the key risks facing the charity, supported by more detailed monitoring mechanisms for health and safety and compliance.

3.16 The system of internal financial control is based on a framework of regular management information, administrative procedures, including the segregation of duties, and a system of delegation and accountability. The Trustees have a process to identify, review and manage the significant risks faced by the Trust, including:

- the development of a formal risk register, supported by a compliance matrix and health and safety risk register;
- the appointment of internal auditors, Mazars, and approval of a three year internal audit plan;
- comprehensive budgeting systems with an annual capital and revenue budget which is agreed by the Board;
- the adoption of an annual business plan by the Trust which is aligned to its budget setting process;
- regular monitoring by the trustees of periodic and annual financial reports which show performance against budget and forecast income and expenditure for the financial year;
- setting targets to measure financial and other performance; and
- the Board agreeing the expenditure on the building and park to ensure its appropriateness in meeting the basic objects of the charity.

Alexandra Park and Palace Charitable Trust

Statement of directors' responsibilities

Organisational Management

3.9 The Alexandra Park & Palace Board ("the Board") meets as charity trustees to consider matters of policy, strategy and objectives. The charity trustees hold a set programme of meetings each year. Other special meetings may be called from time to time. During the year ended 31 March 2012 the Board held six ordinary meetings.

3.10 The Board conducts its business under the delegations provided from the corporate trustee as follows:

The Council has delegated to the Board all the functions of the Council as Trustee of Alexandra Park and Palace under the Alexandra Park and Palace Acts and Orders 1900 to (now) 2004 and, without prejudice to the generality of this, these functions include:

- (a) The duty to uphold, maintain and repair the Palace and to maintain the Park and Palace as a place of public resort and recreation and for other public purposes;*
- (b) Acting as the employing body for employees engaged in the working of the Trust at Alexandra Palace, and to be responsible for the setting of staffing policies, conditions of service and terms of employment of those employees; and*
- (c) In relation to the Trust, being responsible for developing and monitoring the implementation of effective policies and practices to achieve equality of opportunity both for employment and service delivery.*

The Board also appoints a panel of members to consider matters of urgency. There were no panel meetings during the financial year.

3.11 The day to day organisation and management of the charity is delegated to the Chief Executive, Duncan Wilson.

The Statutory Advisory Committee

3.12 The Alexandra Park and Palace Board receives advice from the Statutory Advisory Committee which was established under Section 9 of the Alexandra Park and Palace Act 1985. The role of the Advisory Committee is set out in Schedule 1, Part III Section 19 of that Act, which reads:

- 1. The powers and duties of the Advisory Committee shall be to promote the objects of the Trust and assist the trustees in fulfilling the trusts by considering and advising the trustees on the following matters:*
- 2. The general policy relating to the activities and events arranged or permitted in the Park and Palace;*
- 3. The effects of such activities and events on the local inhabitants and local environment;*
- 4. The frequency of activities and events attracting more than 10,000 people at any one time and the maximum number to be permitted on such occasions;*
- 5. The adequacy of car parking arrangements within the Park and Palace so as to avoid overflow into adjoining residential streets;*
- 6. Any proposals which require planning permission;*
- 7. The establishment and maintenance of the Park as a Metropolitan Park; and*
- 8. The furtherance of recreation and leisure in Alexandra Park and Palace.*

Alexandra Park and Palace Charitable Trust

Statement of directors' responsibilities

3. Structure, governance and management

The Governing Document

- 3.1 The Alexandra Park and Palace (Public Purposes) Act 1900 constituted a trustee body corporate to maintain and manage Alexandra Park and Palace. Subsequent Acts of Parliament in 1903, 1905 and 1913 conferred further powers on the trustees. In 1966, an order transferred the functions of the trustees to the now defunct G.L.C. Following a court case in 1967, the trusts declared by the 1900 Act were held to be valid charitable trusts, although they were not registered with the Charity Commission until March 1981. The trusts were transferred to the London Borough of Haringey which became the trustee on 1 January 1980. Subsequent to a major fire in July 1980 and a Public Inquiry which ended in 1983, the Alexandra Park and Palace Act 1985 amended the previous legislation in significant parts.
- 3.2 In February 2004, The Charities (Alexandra Park and Palace) Order 2004 came into force. This empowers the trustees to lease the whole or part or parts of the Palace and its immediate surrounding area for a term not exceeding 125 years subject to obtaining the consent by order made under the Charities Act 1993 of the Charity Commissioners. The Order does not amend the purposes for which either the Park or Palace are held in trust. The governing documents for the Trust are now collectively known as the Alexandra Park and Palace Acts and Orders 1900-2004.

The Governing Body and Appointment of Trustees

- 3.3 The Council of the London Borough of Haringey is trustee of the Trust. The Council delegates the entire function of trustee to the Alexandra Park and Palace Board. The Council annually elects individual members to sit on the Alexandra Park and Palace Board to act as the charity trustees. The appointments reflect the political balance of the Council. The Charity trustees are those persons having the general control and management of the administration of the Trust.
- 3.4 The charity trustees are members of the Council but must act exclusively in the best interests of the Trust when dealing with Trust matters. The Council may elect different charity trustees each municipal year. However, all charity trustees step down for the local government elections. Those re-elected may be re-appointed at the annual general meeting of the Council held in May of each year.
- 3.5 In addition, three members of the Consultative Committee sit on the Board each year but those appointed are not charity trustees and do not have any voting powers. For the year ended 31 March 2012 they were:
- Mr C Marr
Ms V Tarpey
Mr N Willmott
- 3.6 The Chair of the Statutory Advisory Committee (see paragraph 3.12) also formally attends the Board meetings in an observer capacity. For the year ended 31 March 2012 it was Mr Dennis Heathcote.
- 3.7 The London Borough of Haringey has been advised by Leading Counsel that the Trust 'is a function of the Council' as defined in Section 101 of the Local Government Act 1972. The Trust is therefore subject to the full range of local government legislation by virtue of this advice in addition to the specific charity legislation.

Trustee Induction and Training

- 3.8 At the beginning of each municipal year, a trustee induction meeting is arranged and takes place under the auspices of the charity's solicitors. The charity trustees are provided with the governing document together with key reports, minutes of previous meetings, budgets and audited accounts for the previous three financial years. Further training is considered on an individual basis.

Alexandra Park and Palace Charitable Trust

Statement of directors' responsibilities

1. Introduction

- 1.1 The trustees are pleased to present their annual report for Alexandra Park and Palace Charitable Trust ("the Trust"), together with the Trust's consolidated financial statements, for the year ended 31 March 2012, prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) and applicable UK accounting standards.

2. Reference and administrative information

Charity number	281991
Chief Executive	Duncan Wilson
Registered Office	Alexandra Palace Alexandra Palace Way Wood Green London N22 7AY
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor 2 New Street Square London EC4A 3BZ
Bankers	Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB
Solicitors	Bates Wells & Braithwaite 2-6 Cavendish Street London EC4M 6YH

Trustees

The following were members of the Board of Trustees during the year and to the date of this report:

Councillor Matt Cooke (Chair of the Board)	(appointed 23 May 2011)
Councillor Patrick Egan (Chair of the Board)	(resigned 23 May 2011)
Councillor James Stewart (Vice-Chair)	(appointed 24 May 2010)
Councillor Alan Strickland (Vice-Chair)	(resigned 23 May 2011)
Councillor Bob Hare	
Councillor Sheila Peacock	
Councillor Neil Williams	
Councillor Nigel Scott	
Councillor Ann Waters	(appointed 23 May 2011, resigned 21 May 2012)
Councillor Ali Demirci	(appointed 21 May 2012)

Alexandra Park and Palace Charitable Trust

Report and financial statements 2012

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Charity Number: 281991

Alexandra Park and Palace Charitable Trust

**Trustees' Annual Report and Consolidated
Financial Statements**

For the year ended 31 March 2012

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

13. Tangible fixed assets

Group	Improvements to Palace and Park £	Plant and machinery £	Office equipment, furniture and fittings £	Total £
Cost				
At 1 April 2011	2,678,265	870,285	570,503	4,119,053
Additions	55,723	348,059	52,252	456,034
At 31 March 2012	<u>2,733,988</u>	<u>1,218,344</u>	<u>622,755</u>	<u>4,575,087</u>
Depreciation				
At 1 April 2011	163,383	422,779	395,298	981,460
Charge for the year	168,165	94,054	50,598	312,817
At 31 March 2012	<u>331,548</u>	<u>516,833</u>	<u>445,896</u>	<u>1,294,277</u>
Net book value				
At 31 March 2012	<u>2,402,440</u>	<u>701,511</u>	<u>176,859</u>	<u>3,280,810</u>
At 31 March 2011	<u>2,514,882</u>	<u>447,506</u>	<u>175,205</u>	<u>3,137,593</u>

Trust only	Improvements to Palace and Park £	Plant and machinery £	Office equipment, furniture and fittings £	Total £
Cost				
At 1 April 2011	2,678,265	870,285	522,714	4,071,264
Additions	55,723	348,059	51,367	455,149
At 31 March 2012	<u>2,733,988</u>	<u>1,218,344</u>	<u>574,081</u>	<u>4,526,413</u>
Depreciation				
At 1 April 2011	163,383	422,778	362,299	948,459
Charge for the year	168,165	94,054	46,771	308,990
At 31 March 2012	<u>331,548</u>	<u>516,832</u>	<u>409,070</u>	<u>1,257,449</u>
Net book value				
At 31 March 2012	<u>2,402,440</u>	<u>701,511</u>	<u>165,011</u>	<u>3,268,964</u>
At 31 March 2011	<u>2,514,882</u>	<u>447,507</u>	<u>160,415</u>	<u>3,122,805</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

14. Fixed asset investments

	2012 £	2011 £
Trust only		
Shares in trading subsidiary At 1 April and 31 March	2	2

The Trust owns the entire share capital of its trading subsidiary Alexandra Palace Trading Limited, a company registered in England and Wales. Alexandra Palace Trading Limited raises funds for Alexandra Park & Palace Charitable Trust through the hiring of halls and catering for exhibitions, banquets, conferences, weddings and other events and the running of the Phoenix Public House and the ice rink.

Alexandra Palace Trading Limited paid £893,248 (2011: £72,150) gift aid to Alexandra Park & Palace Charitable Trust. The net income attributable to the group is consolidated on a line by line basis in the consolidated statement of financial activities. A summary of the results is shown below:

	2012 £	2011 £
Turnover	66,881,101	4,746,649
Interest income	6,682	1,894
	<u>6,887,783</u>	<u>4,748,543</u>
Cost of sales	(5,092,354)	(3,967,629)
Administrative expenses	(847,430)	(731,561)
	<u>(5,939,784)</u>	<u>(4,699,190)</u>
Net income to the group	947,999	49,353
Gift Aid to the Trust	(893,248)	(72,150)
Retained profit/(loss)	<u>54,751</u>	<u>(22,797)</u>
Retained deficit brought forward	(552,331)	(1,183,534)
Actuarial loss on pension fund	(167,000)	654,000
Retained deficit carried forward	<u>(664,580)</u>	<u>(552,331)</u>

15. Stock

	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Food and beverages	78,479	78,543	-	-
Disposables	16,731	15,530	-	-
Other	2,470	2,470	-	-
	<u>97,680</u>	<u>96,543</u>	<u>-</u>	<u>-</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

16. Debtors: amounts falling due within one year

	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Trade debtors	929,517	1,061,928	21,436	75,597
Other amounts due from subsidiary undertaking	-	-	704,383	-
Gift aid due from subsidiary undertaking	-	-	893,248	72,150
Other debtors	-	38,329	-	-
Prepayments and accrued income < one year	106,147	117,094	58,702	57,221
	<u>1,035,664</u>	<u>1,217,351</u>	<u>1,677,769</u>	<u>204,968</u>

17. Debtors: amounts falling due after more than one year

	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Prepayments and Accrued Income	-	15,000	-	-
Amount due from subsidiary undertaking	-	-	-	294,831
	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>294,831</u>

18. Creditors: amount falling due within one year

	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Trade creditors	979,772	864,849	383,083	587,743
Other taxes and social security cost	129,460	237,518	-	-
Other creditors	36,100	20,019	100	-
Accruals	516,654	452,313	284,554	236,955
Deferred income	1,954,474	1,029,650	3,188	44,286
Ice rink refurbishment loan	90,292	32,818	90,292	32,818
	<u>3,706,752</u>	<u>2,637,167</u>	<u>761,217</u>	<u>901,802</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

19. Creditors: amount falling due after more than one year

	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Ice rink refurbishment loan	2,091,055	2,070,460	2,091,055	2,070,460
Deferred income	-	220,405	-	-
	<u>2,091,055</u>	<u>2,290,865</u>	<u>2,091,055</u>	<u>2,070,460</u>

Deferred income represents payments received for events that will take place in future years and lease rental payments received in advance.

The ice rink refurbishment loan is a long term loan from London Borough of Haringey to refurbish the ice rink facility, of which £90,292 is repayable within one year. The remainder of the loan is repayable over a twelve year period.

20. Creditors: amount falling due after more than one year

	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Ice rink refurbishment loan	2,149,055	2,070,460	2,149,055	2,070,460
Deferred income	-	220,405	-	-
	<u>2,149,055</u>	<u>2,290,865</u>	<u>2,149,055</u>	<u>2,070,460</u>

21. Deferred income

	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Reconciliation of movement:				
Balance brought forward	1,250,055	540,139	44,286	48,989
Amount released to SOFA during the year	(54,732)	(540,139)	(44,286)	(48,989)
Amount deferred during the year	759,151	1,250,055	3,188	44,286
Balance carried forward	<u>1,954,474</u>	<u>1,250,055</u>	<u>3,188</u>	<u>44,286</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

22. Provisions for liabilities

	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Haringey Council: Indemnification	45,586,473	42,865,557	45,586,473	42,865,557
Reconciliation of movement:				
Balance brought forward	42,865,557	41,322,772	42,865,557	41,322,772
Amount charged to SOFA	495,682	356,555	495,682	356,555
Transfer to bank less VAT debtor	2,225,234	1,186,230	2,225,234	1,186,230
Balance carried forward	45,586,473	42,865,557	45,586,473	42,865,557

The relationship between the Trust and the London Borough of Haringey:

The Council of the London Borough of Haringey is Trustee of the Trust. The Council delegates the entire function of trustee to the Alexandra Park and Palace Board. The Council elects individual members to sit on the Alexandra Park and Palace Board to act as the charity trustees. The charity trustees are those persons having the general control and management of the administration of the Trust. All employees of the Trust are employees of Haringey Council as trustee and are included in the Council's pension arrangements.

Due to the nature of the relationship between the Trust and Haringey Council there are a number of significant related party transactions. These amounts are consolidated into the Trust's financial statements. However, due to the unique nature and structure of the relationship it is thought appropriate to disclose these items: general rates of £54,360 (2011: £52,080); exhibition licences of £49,187 (2011: £47,850); other licence fees £350 (2011: £7,425) public liability insurance £38,713 (2011: £37,954); APTL liability insurance of £19,356 (2011: £18,977); legal and professional fees £26,581 (2011: £50,208); road repairs £nil (2011: £7,500); printing and other sundry items of £1,021 (2011: £5,144).

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing support of the corporate Trustee, London Borough of Haringey. It is the Council's current policy to continue providing this support until such time as it is no longer required. The deficits incurred each year form part of the provision due to Haringey Council and are shown as a creditor on the balance sheet.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

22. Provisions for liabilities (continued)

The analysis of the current year's figure is as follows:

	Accumulated balance £'000	Interest £'000	Total £'000
Indemnification 1991/92 to 1994/95 (1)	5,005	9,881	14,886
Indemnification 1995/96 to 2010/11(2)	22,450	4,854	27,304
Provision: 1988/89 to 1990/91 (3)	755	2,641	3,396
	<u>28,210</u>	<u>17,376</u>	<u>45,586</u>

1.This is the amount which the Attorney General has agreed that Haringey Council is entitled to, in respect of expenditure incurred from operational deficits in the financial years 1991/92 to 1994/95.

2.This is the amount relating to the operational deficits for 1995/96 to 2010/11 which the Attorney General has agreed in principle that Haringey Council is entitled to. The final value has yet to be formally agreed. (The operational deficit is calculated as the deficit for the year before interest, the increase in working capital in the year and the capital spend in the year).

3.Haringey Council may also be entitled to indemnification for the operational deficits from 1988/89 to 1990/91, so this amount has also been provided for.

23. Accumulated unrestricted funds

	Balance 1 April 2011 £	Incoming resources £	Resources expended £	Transfers £	Actuarial gain/loss £	Balance 31 March 2012 £
Trust deficit funds	42,987,134	(7,120,618)	8,845,003	-	-	44,711,519
Pension deficit funds	349,000	-	(50,000)	-	167,000	466,000
Designated capital funds	(649,960)	-	96,293	(520,126)	-	(1,073,793)
	<u>42,686,174</u>	<u>(7,120,618)</u>	<u>8,891,296</u>	<u>(520,126)</u>	<u>167,000</u>	<u>44,103,726</u>

The above amounts represent the deficit equity of the Group and include £719,331 (2010: £552,329) of the trading subsidiary retained losses carried forward.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

24. Restricted funds

	Balance 1 April 2011	Incoming resources £	Expenditure and transfers £	Balance 31 March 2012
Environment Agency Grant	1,158	-	-	1,158
Organ Appeal Fund	4,533	-	(4,533)	-
Theatre Fund	232	-	-	232
English Heritage	3,053	-	-	3,053
	<u>8,976</u>		<u>(4,533)</u>	<u>4,443</u>

The restricted funds balance at 31 March 2012 are represented by cash at bank of £4,443.

The Organ Appeal Fund relates to monies raised for restoration of the organ.

The Theatre Fund and English Heritage Fund are monies raised for restoration work to the theatre.

The Environment Agency grant is for works to the boating lake.

25. Total funds

	Group 2012 £	Group 2011 £	Trust 2012 £	Trust 2011 £
Opening deficit fund balance	42,677,198	41,409,003	42,124,865	40,225,467
Deficit in year	1,255,088	1,922,195	1,309,838	1,899,398
Actuarial (gain)/loss	167,000	(654,000)	-	-
Closing deficit fund balance	<u>44,099,286</u>	<u>42,677,198</u>	<u>43,434,703</u>	<u>42,124,865</u>

26. Audit fees

The Charity Commission requires the Board to appoint an independent Registered Auditor to carry out a full statutory audit of the financial statements. The audit fee for the year was £33,500 (2011: £29,661).

The Local Authority external auditor, as part of the external audit of the Council's accounts, reviews the financial statements for Alexandra Park and Palace Charitable Trust. The Council meets the fee of this external auditor.

27. Commitments under operating leases

	Land and buildings	
	2012 £	2011 £
Payments due within one year on leases expiring:		
Within 1 year	16,836	26,922
Within 2-5 years	-	12,257
	<u>16,836</u>	<u>39,179</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

28. Pension scheme

Trust:

(a) Defined benefit scheme

The Trust operates a defined benefit pension scheme for the benefit of its employees. The assets of the Scheme are in a fund independent from the Trust and are administered by Haringey Council under the provisions of the Local Government Superannuation Act of 12 June 2000. The pension fund assets and liabilities relating to the employees of the Trust are included within the overall Haringey fund and as such, it is not practical or relevant to produce a full FRS17 valuation at the balance sheet date. For this reason, the scheme is treated as a defined contribution scheme for the purposes of the Trust financial statements. This treatment is consistent with previous years.

The Fund is independently valued every three years by a firm of actuaries to assess the adequacy of the Fund's investments and contributions to meet its liability. The last triennial valuation took place as at 31 March 2010. The valuation was carried out in accordance with Guidelines GN9: Funding Defined Benefits – Presentation of Actuarial Advice published by the Board for Actuarial Standards. The valuation was carried out using the Projected Unit Method.

Economic and statistical assumptions were used. The assumptions which have the most significant effect on the results of the valuation are:

	Nominal % per annum
Rate of investment – equities	6.1% per annum compound
Rate of investment – bonds	4.5% Per annum compound
Rate of pensionable salary increases (excl. increments)	1% per annum compound for 2010 – 2012 reverting to 5.3% thereafter
Rate of price inflation/pensions increases	3.3% per annum compound
Discount rate	6.1% per annum compound

Following this valuation, the Actuary agreed that the Trust's contribution would be 23% for the three years of the triennial period.

Trading company:

(a) Defined benefit scheme

The trading company operates a defined benefit pension scheme for the benefit of scheme members who transferred to the trading company, from Alexandra Park and Palace Charitable Trust, on 1 November 1999. There are five (2011: six) scheme members still in the employment of the trading company as at 31 March 2011. The assets of the Scheme are in a fund independent from the trading company and are administered by Haringey Council under the provisions of the Local Government Superannuation Act. The Scheme is accounted for in accordance with FRS 17.

The Fund is independently valued on a regular basis by a firm of actuaries. The purpose is to assess the adequacy of the Fund's investments and contributions to meet its liability. The last actuarial valuation took place as at 31 March 2010. The valuation was carried out in accordance with the Guidelines GN9: Funding Defined Benefits – Presentation of Actuarial Advice published by the Board for Actuarial Standards. The valuation was carried out using the Projected Unit Method.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

28. Pension scheme (continued)

Economic and statistical assumptions were used. The assumptions which have the most significant effect on the results of the valuation are:

	Nominal % per annum
Rate of investment – equities	6.1% per annum compound
Rate of investment – bonds	4.5% per annum compound
Rate of pensionable salary increases (excl. increments)	1% for 2010 – 2012 reverting to 5.3% thereafter
Rate of price inflation/pensions increases	3.3% per annum compound
Discount rate	6.1% per annum compound

Alexandra Palace Trading Limited employer's contribution is 18.7% of salary. The pension contribution for the year was £27,841 (2011: £35,223).

The actuarial valuation described above has been updated at 31 March 2012 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value using the current bid price.

The major assumptions used for the actuarial valuation were:

	Nominal % per annum compound	
	2012 %	2011 %
Rate of pensionable salary increases (excluding increments)	4.80	5.10
Rate of price inflation/pensions increases	2.80	2.80
Discount rate	4.80	5.50
Expected rate of return on assets	5.60	6.9

The expected rate of return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

Assumptions relating to the average future life expectancy of members at age 65 were as follows:

	Males	Females
Current pensioners	21.9 years	24.7 years
Future pensions	23.3 years	26.1 years

For the year ended 31 March 2012, the expected return on the above assets was £124,000 (2011: £81,000) less the interest on pension scheme liabilities of £139,000 (2011: £113,000) gives a net return of £15,000 (2011: £32,000) as the amount debited to other finance income. Therefore overall the net cost to the profit and loss account for the year ended 31 March 2012 is £57,000 (2011: £58,000) after deduction of the current service cost.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

28. Pension scheme (continued)

Recognition in the profit and loss account

	2012 £'000	2011 £'000
Current service cost	25	42
Interest cost	124	138
Expected return on employer assets	(133)	(124)
	<u>16</u>	<u>57</u>

Reconciliation of defined benefit obligation

	2012 £'000	2011 £'000
Opening Defined Benefit Obligation	2,274	2,783
Current service cost	25	42
Interest cost	124	139
Contributions by members	7	11
Actuarial losses	105	(598)
Estimated benefits paid	(58)	(103)
	<u>2,477</u>	<u>2,274</u>

Reconciliation of fair value of employer assets

	2012 £'000	2011 £'000
Opening fair value of employer assets	1,925	1,805
Expected return on assets	133	124
Contributions by members	7	11
Contributions by the employer	66	32
Actuarial losses	(62)	56
Benefits paid	(58)	(103)
	<u>2,011</u>	<u>1,925</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

28. Pension scheme (continued)

Amounts for the current and four previous accounting periods are as follows:

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Fair value of employer assets	2,011	1,925	1,805	1,259	1,602
Present value of defined benefit obligation	(2,477)	(2,274)	(2,783)	(1,658)	(1,694)
Deficit	(466)	(349)	(978)	(399)	(92)
Experience gains/(losses) on assets	(62)	56	372	(450)	(395)
Experience gains/(losses) on liabilities	(34)	(25)	-		122

None of the above liabilities derive from schemes that are wholly unfunded.

Fair value of employer assets

	2012 £'000	2011 £'000
Equities	1,448	1,444
Bonds	402	346
Property	141	135
Cash	20	-
Total	2,011	1,925

Analysis of amount recognised within net movement in funds in the SOFA:

	2012 £'000	2011 £'000
Actuarial (loss)/gain	(167,000)	654,000

Analysis of projected amount to be charged to operating profit for the year to 31 March 2012:

	31 March 2012	
	£'000	% of pay
Projected current service cost	14	22.9%
Interest on obligation	117	195.0%
Expected return on plan assets	(112)	(186.7%)
	19	31.2%

b) Stakeholder personal pension scheme

For new employees to the trading company since 1 September 1999, the trading company has established a stakeholder pension and contributes personal pension contributions into this scheme. The employer's contribution is 10% of salary and the pension contribution for the year was £33,761 (2011: £40,406).

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2012

29. Contingent liability

On 25 March 2009, a pre action protocol letter of claim was submitted by solicitors acting for Firoka (Alexandra Palace) Ltd and Firoka (Kings Cross) Ltd ("Firoka") against the Council as trustee of Alexandra Park and Palace Charitable Trust. The letter asserted that the trustee was in breach of contract and intimated Firoka's intention to claim damages for breach of contract, specified as the failure of the trustee to complete the grant of a long lease of the Palace to Firoka and to enter into other related commercial agreements with Firoka. The value of this claim is £6.234 million.

On 26 May 2009, a detailed response was sent by solicitors acting for the Council as trustee denying any liability. No legal proceedings have yet been commenced by either party. No provision has been made in the Trust's accounts for this claim. The information normally required under FRS12 is not disclosed on the basis that it can be expected to seriously prejudice the outcome of this matter.