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18 July 2014

To: All Members of the Alexandra Palace and Park Board

Dear Member,

Alexandra Palace and Park Board - Tuesday, 22nd July, 2014

I attach a copy of the following reports for the above-mentioned meeting which were not available at the time of collation of the agenda:

6. ANNUAL REPORT AND APPROVAL OF APPCT ACCOUNTS (PAGES 1 - 44)

Appendix – Trustee’s Annual Report and Accounts.

Yours sincerely

Felicity Foley
Principal Committee Co-Ordinator

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Charity Number: 281991

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report and Accounts

For the year ended 31 March 2014

Reclaiming the People's Palace
and providing world class
entertainment and recreation
for the public all year round

Alexandra Park and Palace Charitable Trust

Report and financial statements 2014

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Trustees' annual report Error! Bookmark not defined.1

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Alexandra Park and Palace Charitable Trust

Trustees' annual report

ABOUT US

Alexandra Park and Palace

Alexandra Park was opened in 1863 as a leisure destination for Londoners. The original 220 acres of parkland were landscaped by Alexander McKenzie as a centre for education and entertainment and to provide a green oasis for visitors.

Alexandra Palace was opened in 1873 with a purpose built railway line that brought visitors from Kings Cross. Built as the 'People's Palace', this remarkable seven-acre Grade II listed building remains one of London and the UK's most iconic structures and in 1936 achieved global recognition as the birthplace of television.

Today, Alexandra Palace is surrounded by 196 acres of parkland and offers unprecedented views of the city. The multi-award winning destination maintains its original enterprising spirit by hosting an eclectic mix of live music, sport, cultural and leisure events.

Alexandra Park and Palace mission

"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." *Alexandra Park and Palace Act 1985*

Our vision for the regeneration of Alexandra Park and Palace

"To regenerate Alexandra Palace and 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."

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

MESSAGE FROM THE CHAIR

Celebrating our rich history as we move to the future

The Trust starts 2014 with a new chair and a number of new members of our Board. I would like to put on record our appreciation of the achievements of the Trust under its former chair Matt Cooke, which established a clear strategy for realising the potential of Alexandra Park and Palace with public benefit at its heart. At the same time our Trading Company has continued to build on success, with an increasingly robust and diverse programme of commercial events from concerts and live sport to exhibitions and conferences.

It was a particular achievement of the last year that we managed to bring back the Alexandra Park fireworks on a financially sustainable basis. Nearly 30,000 people were able to watch a spectacular display, which we were able to make free for children under 10 years old, and we are intending that this will now become again an annual event in our calendar. But we must not forget the outdoor events of the summer of 2013 too – the very successful community festival celebrating the 150th anniversary of the Park, and the Red Bull downhill “soapbox derby” which drew a young audience of 25,000. Both demonstrated the potential of the Park for occasional big events engaging with the wider community.

There has of course been a good deal of hard work in preparing plans for the future of the Palace. Our design team for the Heritage Lottery Fund (“HLF”)-funded project which will restore our derelict theatre and television studios was appointed at the end of 2013, and outline plans are now being revealed and consulted on. The Borough's support in allocating match funding to the HLF's offer recognises the importance of this project to Haringey. Our work in developing programmes with local schools and volunteers from the community is beginning to indicate that with investment we can unlock the value of Park and Palace as a real community asset. The Board is committed to following through on these exciting plans in the year to come.

Joanna Christophides

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

CHIEF EXECUTIVE'S REPORT

Continued success and growth at the People's Palace

This year I am delighted to report impressive progress with the challenging targets we set ourselves last year. The most significant element of this progress has undoubtedly been the Heritage Lottery Fund's (HLF) Round 1 approval of £844,800 funding towards our £24m project to restore our Victorian theatre and the former BBC television studios where the first public high-definition broadcast was made in 1936. We have now developed the design to the point where we can engage on a new phase of discussion and consultation with our stakeholders over the summer of 2014, and intend to submit a Round 2 bid to the HLF at the end of the year.

It has also been a good year for our live events business which underpins all of our operations as a charity and a commercial enterprise. These commercial operations are today's realisation of the original founding vision for the People's Palace. Notable concerts in the past year have included Bjork, The Lumineers, Disclosure and Madness, and sporting events have included PDC World Darts Championships, Masters Snooker, World Championship of Ping Pong and a number of boxing matches. It was reassuring to see the strength of our exhibitions business with new events such as the Edible Garden Show joining our portfolio as well as the return of established favourites such as the Knitting and Stitching show.

We were also very pleased to be able to bring back the fireworks to the Park in November after an absence of four years. This event was brought back on a financially sustainable basis which has secured its return later this year. This followed a summer in which we celebrated the 150th anniversary of the Park with a very successful community event on an ambitious scale with a limited budget.

Finally I should place on record the growth in our volunteer and learning programmes which has strengthened our community engagement and emphasised the part the extraordinary history of the Palace and Park has to play in our future. In 2013/14, this new programme has seen 440 pupils from local schools and 774 adults learn about the history of Alexandra Palace on one of our learning programmes or history tours. Our volunteer programme has gone from strength to strength with approximately 50 active volunteers regularly supporting Alexandra Palace through various charitable activities. Our team of volunteers has been recruited in less than 12 months and our target membership of volunteers in 2017 is 100.

By the time of the next Annual Review, decisions will have been taken which will have a major impact on the Trust's future. The progress we have made in the last year puts us in a strong place to secure the best outcome for Alexandra Palace and Park from those decisions.

Duncan Wilson

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

OUR TIMELINE

Date	Text	Image
1863	Alexandra Park opened to the public with an abundance of activities. Its curving informal walkways were designed by landscape architect Alexander McKenzie.	N/A
1873	Alexandra Palace opened on Queen Victoria's 54 th birthday with a grand celebration including concerts, recitals and fireworks. Tragedy struck 16 days later when a fire broke out in the Palace, burning it down in its entirety.	Image of burning palace
1875	The new Alexandra Palace opened to the public with its new Henry Willis organ, one of the largest in Europe at the time.	Historic image of Henry Willis
1901	Following the introduction of the 1900 Alexandra Park and Palace (Public Purposes) Act, Alexandra Palace was re-opened to the public.	N/A
1914	Alexandra Palace was requisitioned by the Government to be used first as a Belgian refugee camp and later as a German and Austrian internment camp for the duration of WWI.	Kenner image
1936	On 2 November, the world's first regular high-definition public television broadcast took place from the BBC studios at Alexandra Palace.	BBC Transmitter tower historic image
1939	Belgian refugees returned to Alexandra Palace during WWII and the Palace's transmitter tower was used as a decoy to deceive enemy aircraft.	N/A
1980	For the second time, fire broke out across Alexandra Palace burning the western half of the building to the ground. Substantial restoration works began shortly after the fire and the Palace finally re-opened in 1988.	Aerial shot of palace post fire...
1996	Alexandra Palace was recognised as a building of special architectural or historic interest and received a Grade II listing.	Picture of the Rose Window and front of AP
2013	Alexandra Palace received £844,800 in funding from the Heritage Lottery Fund to develop plans which will see the restoration of the Park's most historic areas. If these plans are successfully submitted to the HLF in 2014, the project will be awarded the remainder of a grant application totalling £16.8m. This will go towards the restoration project estimated to cost in the region of £24m, with match funding allocated by the Borough.	Theatre image

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

OUR PRIORITIES

- to achieve long-term financial sustainability to secure the future of the Park and Palace as a public amenity and visitor destination;
- to redevelop the Park and Palace as a leisure and entertainment destination, anchored by a major live entertainment venue, to match the best on offer in London whilst retaining the special nature of 'the People's Palace';
- to respect the rich history and heritage potential of the Park and Palace and their continued preservation, refurbishment, interpretation and use as a resource for learning and enjoyment;
- to deliver wider community benefit, including contributions to public health and well-being, the environment and the economy;
- a commitment to quality and to high standards of design, delivery, management and operations, to meet the expectations of users and stakeholders and befitting the historic importance and iconic nature of the destination;
- to maintain free access to the Park and continue to manage it as an amenity for the local community and for visitors;
- to make accessible the most historically significant areas of the Palace, including the BBC TV studios and the theatre; and
- to reinforce the role of the Trust in delivering these aims.

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

THE PEOPLE'S PALACE

Alexandra Palace, one of London's most iconic destinations, is surrounded by 196 acres of heritage listed parkland and is maintained and run for the benefit of the public.

The Palace, which has been a place of entertainment, recreation and education for more than 140 years, continues to deliver a diverse year-long programme of events and activities enjoyed by millions of people each year. The 148,000 square feet of usable space hosts the Palace's events business, ice rink and catering operations. These are operated on a fully commercial basis with all profits gifted back to the Trust. This year the Trust has also launched a new learning & community programme in the Palace. This Trust initiative connects with communities from across the Borough and provides a series of workshops for local pupils and various interest groups about the Palace's past, present and future.

The last financial year saw significant growth in revenue as a result of trading activities. This was particularly evident with the strong increase in corporate events and conferences held within the Palace. This increase, supported by the Palace's continued growth in the number of live music concerts, exhibitions and weddings, event catering and a new online ticketing and marketing offer has seen Alexandra Palace recognised as one of London's leading venues. The business strategy has been focused on creating a series of targeted packages which has secured business in advance. This has resulted in Alexandra Palace playing host to internationally recognised artists including Bjork, Madness, Bastille and Disclosure. The Victorian theatre required emergency repairs in advance of the major Heritage Lottery Fund regeneration programme to make it safe to use. This has allowed film shoots and high profile events to take place within the space including an advert for Schweppes **directed by Academy Award Winner Kathryn Bigelow** starring **Penélope Cruz** and the filming of **Channel 4's "Our Gay Wedding: The Musical."**

The success within the events business has seen a ripple effect drive commercial operations forward across the rest of the organisation. Event catering had a very strong year supplying food and drink at all events held at the Palace. The Ice Rink saw a steady increase in business which exceeded all targets for the year. The launch of the online ticketing system played a significant enabling role which not only gave customers the chance to purchase ice skating tickets as an add on to one of the commercial events but enabled the Ice Rink to deliver targeted incentives to specific segmented groups. Other areas which contributed to the success of the Ice Rink included an increase in revenue at the Ice Café, a very successful pantomime of The Little Mermaid on ice and a number of high profile filming opportunities. The Bar & Kitchen also had a strong trading year exceeding both its budgeted sales and profit. While 40% of its revenue was driven by the events business, improvements to the menu, an upgrade to the kitchen and the investment in picnic benches for the beer garden saw the majority of revenue generated from day to day trade.

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

THE PEOPLE'S PARK

Alexandra Park is one of North London's green lungs and provides visitors all year round with landscaped grounds and stunning panoramic views of London.

The Park's 196 acres of Grade II listed English Heritage parkland is a popular community hub and attracts more than one million visitors each year. The award-winning grounds are maintained by a dedicated specialist team who ensure the beautiful landscape is well preserved and remains very much at the heart of the local community.

The past year has been a historic year for Alexandra Park. In July 2013, the Park celebrated its 150th anniversary. This was marked with a park-wide community festival jointly managed by staff from across the entire organisation. More than 12,000 people attended and enjoyed activities themed on the Park's history including archery, tethered balloon rides and a bandstand showcasing talent from across the Borough of Haringey.

In 2013, the Park hosted a number of commercial events including the famous Red Bull Soapbox Race and the return of Ally Pally's much loved firework display. The Soapbox Derby was broadcast live on 'Dave' and saw more than 25,000 people attend what could only be described as one of the most spectacular events ever held the Park. The popular firework display was 'Back with a Bang' and an extremely successful promotional campaign resulted in a sell-out event with 28,000 tickets sold online.

Despite the increase in events in the Park, the grounds were largely unaffected and were quickly returned to their original state shortly afterwards. During these events, special care was always taken to ensure the preservation of habitats of environmental significance such as acid grassland.

Supporting the community

In the past year, Alexandra Park has worked with the local community on several occasions. In March 2014, pupils from local schools were invited to mark the centenary of WWI by planting poppy seeds in flower beds around the Park. Other activities have included supporting a community artist carve a totem pole out of a fallen tree to mark the Park's 150th anniversary and the planting of six birch trees which when grown will form a small copse for children to play in.

Park Volunteers

Alexandra Park has a close working relationship with a number of stakeholder groups. In the past year, the Friends of Alexandra Park, The Conservation Volunteers and other local volunteers have contributed more than 1000 hours on a huge variety of park-wide projects including nature conservation works, walks and talks on the Park's history, trees, birds and much more. Looking forward, a strategy has been developed to offer volunteering opportunities for people with an interest in sharing their skills or learning new skills in the Park. This will form part of the already exceedingly popular volunteer programme which started in late 2013.

Awards

Alexandra Park continued to be recognised by winning awards for Park maintenance throughout its 150th anniversary year.

Green Flag Award (6th consecutive year)

Green Heritage Award (4th consecutive year)

London in Bloom Silver Award (Large park category)

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

TOMORROW'S ALLY PALLY

(cut out of the eastern end of the Palace)

The last financial year saw one of the most exciting periods to date in Alexandra Palace's regeneration programme.

In May 2013, following a first-round major grants application for £16.8 million in November 2012, the Heritage Lottery Fund (HLF) awarded Alexandra Palace £844,800 in development funding. This initial funding will support the development of a detailed design and business plan for a project that will see the restoration of the Park's most significant historic areas including the BBC studios and Victorian theatre.

We have recruited an award-winning top quality design team led by architects Feilden Clegg Bradley Studios to deliver the detailed designs for our HLF supported project. We have also appointed the conservation architect firm Purcell as Surveyor to the Fabric who will deliver a long-term plan for the ongoing preservation of the building's historic fabric.

Restoration works to the fabric of Alexandra Palace have included significant repairs to the colonnades on the south terrace and a number of the Park's roofs. These have been part funded by English Heritage.

Snapshot of the Heritage Lottery Fund supported project

The Victorian theatre (CGI of theatre)

The Alexandra Palace Theatre forms a unique and largely hidden part of Alexandra Palace's eclectic history. The theatre has had a variety of different uses ranging from a live performance, rehearsal space and early cinema to a prop store for the BBC. The theatre has not been open to the public for more than 80 years and when restored, it will be an adaptable space which can be used for a wide range of uses including theatre, live music, comedy, cinema, conferences, weddings and banquets.

BBC studios (CGI of BBC studio stairs and tower through skylight)

The BBC Wing is internationally recognised as being the birthplace of public broadcast television. From 1936 until 1980, the BBC used the studios for a range of television broadcasts including popular programmes such as Muffin the Mule, Picture Post, BBC News and the Open University. This historic space has not been used since the BBC left in 1980 and when reopened will use a combination of immersive audio-visual experiences, objects & artefacts, digitised archives and hands-on activities to provide a fully interactive insight into Alexandra Palace's role in the history and future of popular entertainment and television.

The East Court (CGI of east court)

The East Court will become the main arrival space and focal point for the eastern end of the Palace, creating an informal meeting point with a café and Wi-Fi, linking the Theatre, Studios, Ice Rink and Park.

Next steps

In July 2014, Alexandra Palace will begin a three month period of consultation with various stakeholder groups where plans for the regeneration project will be showcased. In September 2014, a two-week public consultation will be delivered and feedback received will be used to shape the project. Following this, Alexandra Palace will submit the final designs to the HLF for the remainder of the £16.8 million grant application.

The masterplan

In 2012, the Trust Board commissioned leading architects Terry Farrell Associates to develop a strategic masterplan for the future use, development and conservation of the building. The masterplan looked at the Park in its entirety looking at improvements to key areas including accessibility, transport, conservation and redevelopment. Drawing on a conservation management plan devised by conservation specialists Donald Insall Associates, six specific areas of improvement were identified, with the sixth idea being the starting point for the development of the HLF project.

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

The masterplan's six big ideas:

- Idea 1: Improving first impressions
- Idea 2: Upgrading the entrances to the Park
- Idea 3: Making it easier to move around
- Idea 4: Upgrading the main halls
- Idea 5: A hotel in the Park
- Idea 6: Opening up the derelict spaces

Fundraising and sponsorship

To raise the profile of Alexandra Palace's regeneration plans and secure the required matched funding for the HLF project – around 30% of total project costs – a fundraising strategy has been developed. The Borough has already pledged £5m of the £7m needed to meet our HLF project target. Fundraising streams are likely to be from a range of public and private sources as well as a range of special fundraising activities to encourage stakeholder and community contributions. We are developing a network of high profile ambassadors and celebrities who continue to work with us to promote the project. We are also looking for corporate sponsors who fit the Alexandra Palace vision.

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

ENGAGING WITH THE COMMUNITY

Our community learning programme includes projects inspired by the history of the Park and Palace and offers 'behind the scene' visits to the stage of the historic Victorian theatre.

To ensure our programmes are always engaging and innovative, a flexible structure has been maintained so that workshops can be tailored to fit the needs of individual groups.

Engaging with schools and the National Curriculum

The last financial year saw the official launch of Alexandra Palace's core learning programme. The programme, which has been attended by 440 pupils to date, comprises three cross-curricular Key Stage 2 workshops which aim to teach pupils about Alexandra Palace's extraordinary history. The topics: 'The Victorian People's Palace', 'Alexandra Palace: Past, Present & Future' and 'Birthplace of the BBC' are taught within the Park and support the national curriculum. A key goal for the next financial year is to reach most of the 62 schools in the Borough.

In 2013, Alexandra Palace was also successful in obtaining £59,400 in Heritage Lottery Funding for the development of a learning programme that recognises Alexandra Palace's little-known role in WWI. The programme titled: 'Alexandra Palace: War on the Home Front', will showcase this story for the first time through the creation of a temporary exhibition and bespoke learning programme.

The temporary exhibition will open with a private view on the centenary anniversary of the arrival of the first Belgian refugees in the Park on 15 September 1914. Alongside the exhibition there will be a programme of events for adults, families, schools and community groups to engage the widest possible audience with the Palace's story.

Community Networking

Alexandra Palace has a bespoke space in the former BBC Transmitter Hall available for community groups to hire at a rate designed to attract a wide range of users. To date this space has been used by lifelong learners, the local police force, volunteers, community and public consultation and local interest groups.

Community Engagement

In September 2013, Alexandra Palace opened its doors for Open House providing guided tours to ticket holders for the first time. The hugely successful event saw 220 people tour the Park and access otherwise inaccessible places. Following the success of Open House, a quarterly schedule of History Tours was organised and are supported by a core team of volunteers. The past financial year has seen 1,100 people take organised tours of the Palace overall.

Lifelong Learners

Alexandra Palace welcomes lifelong learning groups who have the option of a 45 minute talk exploring 150 years of Park and Palace history (including archive photos and footage from the BBC) in the Transmitter Hall followed by a one hour tour of the building. Over the past financial year, the Park has welcomed 4 groups with 129 lifelong learners in total.

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

WHAT WE HAVE ACHIEVED

Each year we identify specific objectives against which we measure our progress

Growing and strengthening our events business

- We have secured a number of new events, from concerts to exhibitions;
- We have invested in key areas of our business, from people to equipment;
- We ran a successful public fireworks display for the first time since 2010; and
- We continued to run thriving ice rink and catering businesses.

Developing our regeneration plans further and progressing the Heritage Lottery Fund project

- We have prepared to approach the market later in 2014, to find an investor and operator for the hotel opportunity;
- Following the success of our Round 1 bid to the Heritage Lottery Fund we have recruited a top quality design team led by Feilden Clegg Bradley to tackle the task of adapting the theatre sensitively for a variety of event formats and creating an imaginative and appealing visitor attraction in the BBC television studios; and
- We have progressed the design to RIBA Stage 2 (outline).

Continuing to deliver a high quality Park

- We have been successful delivering a number of major events park wide; and
- We have continued to secure both Green Flag and London in Bloom awards which recognise the high standard to which the Park is maintained.

Addressing the repairs backlog at the Palace

- We have begun a repair programme to maintain and repair the South Colonnades and South East pavilions. These repairs to date have been funded mainly by English Heritage;
- We have developed plans to replace Great Hall lighting rigs with a much more energy efficient solution; and
- We have completed a fabric and mechanical and electrical plant survey allowing us to prioritise repairs more effectively.

Engaging with our local community through schools and volunteering programmes

- We have successfully launched a volunteer programme and have recruited 50 active volunteers to date; and
- We have received the support of the HLF for a project commemorating Alexandra Palace's fascinating history from 1914 – 1918.

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

THE YEAR AHEAD

Our strategic objectives for 2014/15 are to:

- Achieve our commercial targets including increasing trading turnover by 10%;
- Continue to develop and strengthen our events business;
- Complete and submit our final Heritage Lottery Fund project design proposals for the historic theatre and television studios;
- Approach the market with the opportunity to develop a hotel at Alexandra Palace;
- Maintain and improve the quality of the Park;
- Begin to implement a long term plan for conservation of the fabric and replacement of outdated plant; and
- Further develop our learning and community programme.

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

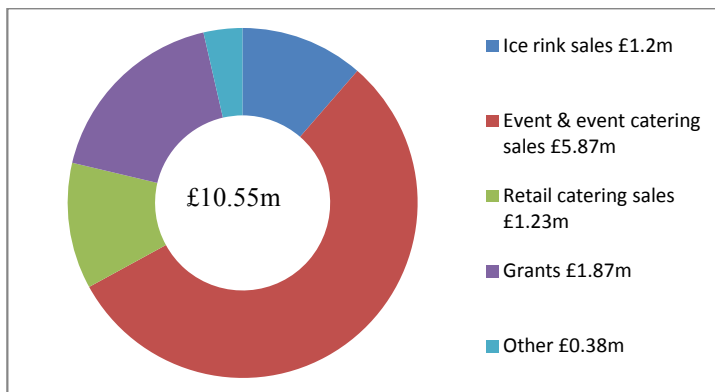
FINANCIAL OVERVIEW

The Trust and Trading Company had another very successful year, with overall turnover continuing to grow by 18% to £10.55m. It is a tribute to the underlying strength and diversity of our business across all its sectors that revenues have grown against 2012-13, the Olympic year and our previous best results. This growth together with the continuing support of our trustee the London Borough of Haringey allowed us to increase our charitable expenditure slightly to £3.53m. We have continued to invest in our regeneration project, in particular the development of our Heritage Lottery Fund scheme to restore the east end of the Palace. Capital expenditure of £1.2m has allowed us to provide and renew equipment for the Trading Company and deal with urgent repairs to plant and fabric of the Park and Palace.

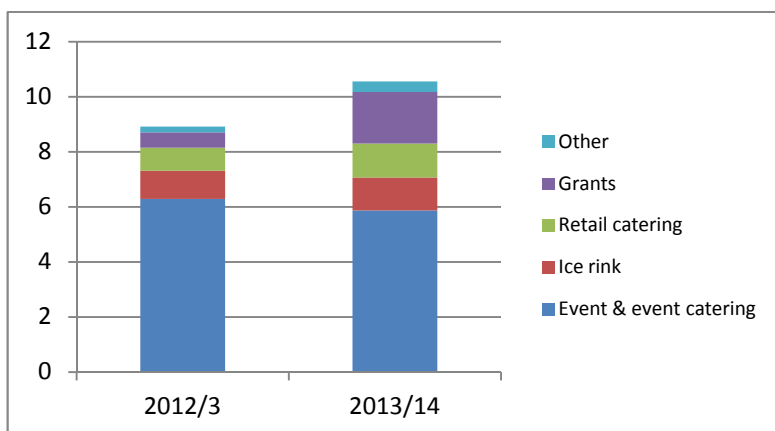
Overall Gift Aid, representing profits generated for the charity from commercial activities, was £950k. This continues the long term trend to making the Palace more self-sufficient. As in previous years our trustee provided financial support to enable the Trust to bridge the gap between income and expenditure, to finance increases in working capital and to meet our loan repayments. It is the Borough's policy to continue to provide this support until such time as it is no longer required.

Our balance sheet, which does not include any value for the Trust's interest in the Park and Palace, continues to be dominated by the revenue support received from the Borough as a long term loan since they became our charitable trustee in 1980. The Borough's policy is to write off this loan in its own accounts each year as it arises, but as the debt is undischarged we continue to show it as a provision for liabilities. The total value of this provision at 31 March 2014 was £48.7m.

Where our funds come from



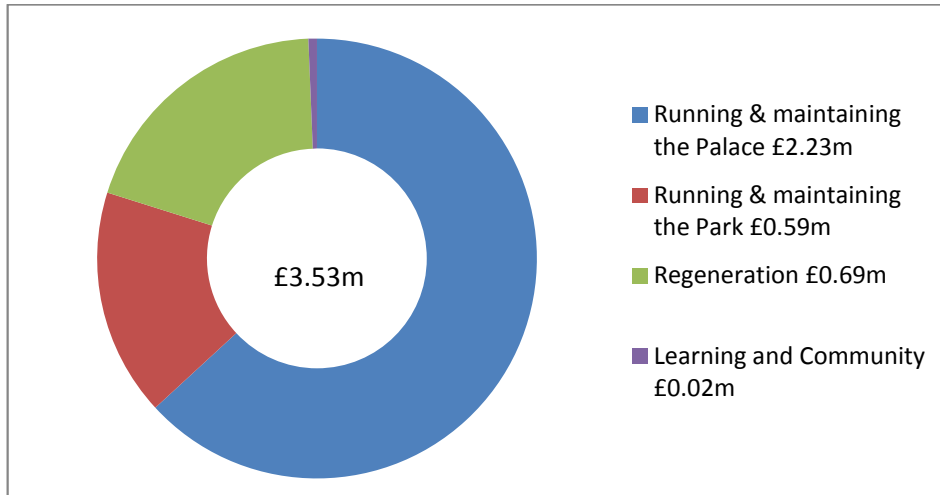
Total income compared to last year



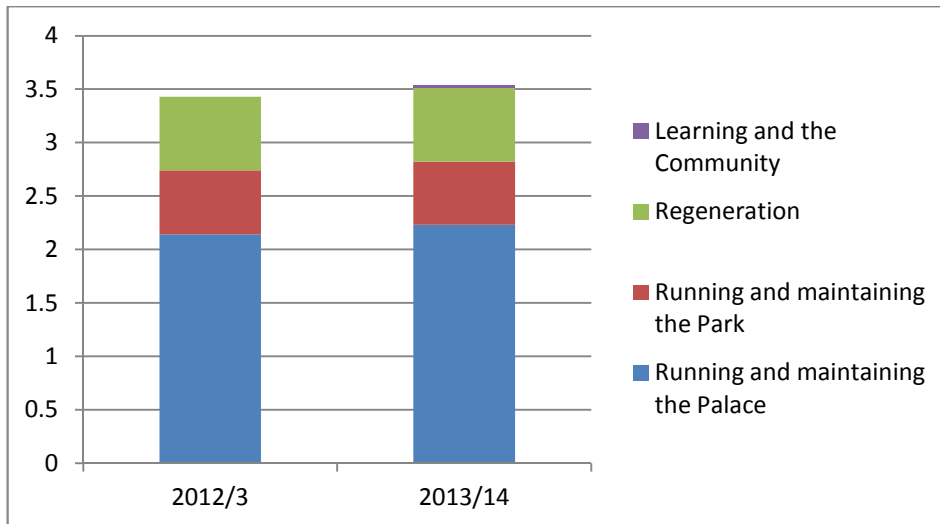
Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

Analysis of charitable expenditure



Charitable expenditure compared to last year



Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

STRUCTURE, GOVERNANCE & MANAGEMENT

Our governing documents are collectively known as the Alexandra Park and Palace Acts and Orders 1900-2004.

Alexandra Park and Palace was created as a trust by Act of Parliament in 1900, with further powers being conferred by subsequent acts in 1903, 1905 and 1913. In 1967 a court case established that the Trust was charitable and it was registered with the Charity Commission in 1981. Following a major fire in 1980 and a subsequent public enquiry, a further act was passed in 1985 amending the previous legislation. Finally, the Charities (Alexandra Park and Palace) Order 2004 gave the trustees power to lease the whole or parts of the Palace, subject to the consent of the Charity Commission, without changing the purposes for which the Park and Palace are held in trust.

In 1980 the functions of the trustees were transferred to the London Borough of Haringey. This means that the Trust is subject to the full range of local government legislation in addition to the requirements of charity law. The Alexandra Park and Palace Board is appointed by the Borough and meets quarterly. Voting members are Haringey councillors who are elected annually to reflect the political composition of the Council and non-voting members are appointed to provide additional advice and expertise. Charity trustees who are also councillors step down for local government elections and those who are re-elected may be re-appointed at the annual general meeting of the Council held in May each year.

The charity Trustees must act exclusively in the best interests of the Trust when dealing with Trust matters. They have overall responsibility for ensuring that adequate systems of control are maintained to safeguard the Trust's assets, to provide reasonable assurance that it is operating efficiently and effectively, that it complies with relevant laws and regulations and it maintains proper records. The Trustees have identified the major risks to which the Trust is exposed and have a formal process to ensure they are managed and that the risk register is kept up to date. To support the executive management team's operations, the Board reviews and approves the annual budget and appoints an internal auditor. In 2013 two further advising members have been appointed to the Board to strengthen its oversight.

Four committees advise the Board and meet separately on a quarterly basis. The Statutory Advisory Committee (SAC) was established by Act of Parliament to provide advice from a defined list of organisations. The London Borough of Haringey set up the Consultative Committee (CC) to provide advice to the Board from a wide range of local organisations. The Regeneration Working Group (RWG) was set up to provide guidance on the Palace-wide regeneration programme. Finally, the Finance, Risk and Audit Committee (FRAC) was set up to take delegated responsibility on behalf of the Board for overseeing the company's financial policies, performance, plans and risk management. The wholly-owned trading subsidiary, Alexandra Palace Trading Limited (APTL), is governed by a separate Board appointed by the trust.

At the beginning of each municipal year an induction meeting is arranged and Board members are provided with the governing documents together with key reports, minutes, budgets and audited accounts. Further training is considered on an individual basis.

Alexandra Park and Palace's executive team manage the day-to-day operations of the Park and Palace. Between them they have many years of experience across both public and private sectors.

<<PHOTO HEADSHOTS>>

Board members

<i>Voting Members</i>	<i>Non-Executive Members</i>	<i>Appointed on the advice of the Consultative Committee</i>	<i>Appointed ex-officio as Chair of Statutory Advisory Committee</i>
<i>Matt Cooke (Chair to May 2014)</i>	<i>Richard Hooper (from May 2013)</i>	<i>Colin Marr (Chair CC)</i>	<i>Denis Heathcote (Chair SAC)</i>
<i>James Stewart (Vice-Chair to May 2014)</i>	<i>Robert Kidby (from May 2013)</i>	<i>Val Paley (CC)</i>	
<i>Joanna Christophides (Chair from May 2014)</i>		<i>Nigel Willmott (CC)</i>	
<i>Ali Demirci (to May 2013)</i>			

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

Pat Egan (from May 2013)

Bob Hare

Sheila Peacock (to May 2013)

Nigel Scott (to May 2014)

Neil Williams (to May 2014)

Executive Team

Duncan Wilson OBE	- Chief Executive
Emma Dagnes	- Commercial & Development Director
Kerri Farnsworth	- Director of Regeneration and Property
Nigel Watts	- Director of Finance & Resources

Our stakeholder groups

Alexandra Park and Palace Charitable Trust works closely with a number of special interest groups who each have a particular interest and experience in a unique area of Alexandra Park and Palace. Members of these groups invest significant amounts of their own time on a voluntary basis and are represented across both the Statutory Advisory Committee and the Consultative Committee. Their noteworthy contribution and support is vital for the Park and Palace to thrive.

Friends of Alexandra Palace Theatre
Alexandra Palace Television Society
Friends of Alexandra Park
Alexandra Palace Television Group
Alexandra Palace Organ Society

For public benefit

The 1985 Act defines our principal object "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."

In approving the Trust's plans and priorities, the trustees have given due regard to the Charity Commission's guidance on public benefit.

The Park has more than a million visitors each year and is open to the public free of charge. It provides visitors with its wide range of facilities, activities and attractions all year round. The Palace has a public ice rink and is the venue for public concerts, exhibitions and sporting events which add to our popularity as a visitor attraction.

In its current condition, approximately two thirds of the Palace can safely be opened to the public, but a key focus of our regeneration programme is to make accessible to the public once again the historic and long closed parts of Palace.

Diversity and disability

The Trust aims to treat all people with courtesy and respect regardless of race, religion, gender, disability or sexual orientation.

Alexandra Park and Palace Charitable Trust

Trustees' annual report (continued)

Statement of Trustees' Responsibilities

The trustees are responsible 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Alexandra Park and Palace Acts and Orders 1900-2004. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Deloitte LLP have declared their willingness to continue in office and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved and authorised for issue by the Trust on **22 July 2014** and signed on its behalf by: **Joanna Christophides**

Chair of the Board of Trustees Alexandra Park and Palace is a registered charity in England and Wales (no 281991) with its principal office at Alexandra Palace, Alexandra Palace Way, London N22 7AY

Advisors

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

Independent auditor's report to the Trustee of Alexandra Park and Palace Charitable Trust

We have audited the financial statements of Alexandra Park and Palace Charitable Trust for the year ended 31 March 2014 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 26. 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 trustee, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustee and the auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustee is 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's 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2014, 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.

Independent auditor's report to the Trustee 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, United Kingdom

2014

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

Consolidated statement of financial activities For the year ended 31 March 2014

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	-	1,872	1,872	559
Activities for generating funds	4	8,330	-	8,330	8,149
Incoming resources from charitable activities	5	344	-	344	201
Investment income	6	7	-	7	12
Total incoming resources		<u>8,681</u>	<u>1,872</u>	<u>10,553</u>	<u>8,921</u>
Resources expended:					
Cost of generating funds					
Fundraising trading cost of goods sold and other costs		7,139	-	7,139	6,647
Charitable activities		3,374	161	3,535	3,434
Governance costs		139	-	139	119
Total resources expended	7, 10	<u>10,652</u>	<u>161</u>	<u>10,813</u>	<u>10,200</u>
Net (outgoing)/incoming resources before other recognised gains and losses and transfers					
		(1,971)	1,711	(260)	(1,279)
Transfers	21	995	(995)	-	-
Actuarial loss on pension scheme	23	(132)	-	(132)	(55)
Net movement in funds		<u>(1,108)</u>	<u>716</u>	<u>(392)</u>	<u>(1,334)</u>
Opening deficit fund balance as at 1 April		<u>(45,462)</u>	<u>8</u>	<u>(45,454)</u>	<u>(44,120)</u>
Closing deficit fund balance as at 31 March	23	<u>(46,570)</u>	<u>724</u>	<u>(45,846)</u>	<u>(45,454)</u>

The notes on pages 24 to 42 form an integral part of these financial statements. All of the above amounts are derived from continuing activities.

Alexandra Park and Palace Charitable Trust

Trust statement of financial activities For the year ended 31 March 2014

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	-	1,872	1,872	559
Incoming resources from charitable activities	5	342	-	342	201
Investment income	6	1,140	-	1,140	1,441
Total incoming resources		1,482	1,872	3,354	2,201
Resources expended:					
Charitable activities					
Governance costs		3,374	161	3,535	3,433
		122	-	122	103
Total resources expended	7, 10	3,496	161	3,657	3,536
Net (outgoing)/incoming resources before transfers					
		(2,014)	1,711	(303)	(1,335)
Transfers	22	995	(995)	-	-
Net movement in funds		(1,019)	716	(303)	(1,335)
Opening (deficit)/fund balance as at 1 April		(44,798)	8	(44,790)	(43,455)
Closing (deficit)/fund balance as at 31 March	23	(45,817)	724	(45,093)	(44,790)

The notes on pages 24 to 42 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 and trust balance sheets As at 31 March 2014

	Note	Group 2014 £'000	Group 2013 £'000	Trust 2014 £'000	Trust 2013 £'000
Fixed assets					
Tangible assets	13	4,413	3,689	4,139	3,511
Investments	14	-	-	-	-
		<u>4,413</u>	<u>3,689</u>	<u>4,139</u>	<u>3,511</u>
Current assets					
Stocks	15	108	83	-	-
Debtors: due within one year	16	2,097	617	2,330	1,903
Cash at bank and in hand		1,813	1,956	-	52
		<u>4,018</u>	<u>2,656</u>	<u>2,330</u>	<u>1,955</u>
Creditors: amounts falling due within one year	17	(3,214)	(1,775)	(1,104)	(718)
Net current assets		<u>804</u>	<u>881</u>	<u>1,226</u>	<u>1,237</u>
Total assets less current liabilities		<u>5,217</u>	<u>4,570</u>	<u>5,365</u>	<u>4,748</u>
Creditors: amounts falling due after more than one year	18	(1,732)	(1,925)	(1,711)	(1,924)
Provisions for liabilities	20	(48,747)	(47,614)	(48,747)	(47,614)
Net liabilities excluding pension scheme liability		<u>(45,262)</u>	<u>(44,969)</u>	<u>(45,093)</u>	<u>(44,790)</u>
Defined benefit pension scheme liability	25	(584)	(485)	-	-
Net liabilities including pension scheme liability		<u>(45,846)</u>	<u>(45,454)</u>	<u>(45,093)</u>	<u>(44,790)</u>
Accumulated deficit					
Unrestricted deficit funds		(48,218)	(46,396)	(48,050)	(46,217)
Designated capital funds		2,233	1,419	2,233	1,419
Pension deficit funds		(585)	(485)	-	-
	21	<u>(46,570)</u>	<u>(45,462)</u>	<u>(45,817)</u>	<u>(44,798)</u>
Restricted funds	22	724	8	724	8
Total deficit	23	<u>(45,846)</u>	<u>(45,454)</u>	<u>(45,093)</u>	<u>(44,790)</u>

Approved by the Board of Trustees on 2014 and signed on its behalf by:

Councillor Joanna Christophides

The notes on pages 24 to 42 form an integral part of these financial statements.

Alexandra Park and Palace Charitable Trust

Consolidated cash flow statement For the year ended 31 March 2014

	Group 2014 £'000	Group 2013 £'000
Net cash inflow/(outflow) from operating activities	965	(455)
Returns on investments and servicing of finance		
Interest received	7	12
Interest paid	(67)	(78)
Net cash inflow/(outflow)	905	(521)
Capital expenditure		
Fixed asset additions	(1,158)	(756)
Cash outflow before financing	(253)	(1,277)
Loan repayments	(153)	(104)
Decrease in cash in the year	(406)	(1,381)
Cash at 1 April	1,956	3,337
Cash at 31 March	1,550	1,956
Represented by:		
Cash at bank and in hand	1,813	1,956
Overdraft	(263)	-
	1,550	1,956

Note 17

Note to the consolidated cash flow statement

	Group 2014 £'000	Group 2013 £'000
Reconciliation of net outgoing resources to net cash inflow/(outflow) from operating activities		
Net outgoing resources before other recognised gains and losses and transfers	(260)	(1,279)
Depreciation	434	381
Charges less than pension contributions	(32)	(36)
Interest receivable	(7)	(12)
Interest payable	68	78
(Increase)/decrease in stocks	(25)	15
(Increase)/decrease in debtors	(1,480)	265
Increase/(decrease) in creditors	1,134	(1,895)
Increase in provisions	1,133	2,028
Net cash inflow/(outflow) from operating activities	965	(455)

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

1. Basis of accounting

The financial statements have been prepared under the historical cost convention (with the exception of pension assets which are held at fair value) and have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005 as updated), and applicable United Kingdom accounting standards.

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing financial support of the corporate trustee, London Borough of Haringey. 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. Taking this and any possible uncertainties into consideration, the trustees believe it is appropriate to prepare these accounts on a going concern basis.

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

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 since 2009/10.

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.

Income from events and trading activities is recognised at the date of the event. Income from leases is recognised over the period of the lease.

Funds received for the purchase of fixed assets are accounted for as restricted income. Once the acquisition discharges the restriction of the grant then the assets will be held in designated funds. A transfer of the fixed assets from restricted funds will therefore 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.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

2. Accounting policies (continued)

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, and includes audit fees, professional fees and an allocation of support costs.

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.

Investments

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

Valuation of fixed assets

The freehold and fixed assets of the Trust include the Grade II listed Victorian Palace building and its contents, including the Willis organ, and the 196 acres of parkland. Under the terms of the Alexandra Park and Palace Act 1985, the freehold and fixed assets of the Trust cannot be disposed of.

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. This policy has been continued as reliable cost information is not available, conventional valuation approaches lack sufficient reliability and significant costs would be involved in obtaining a valuation which would 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.

All other 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 25 years
Plant and machinery:	-	on a straight line basis over 10 years
Office equipment, furniture and fittings:	-	on a straight line basis over 5 years

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.

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 2013/2014. 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 2013/2014 as the Council has now written off 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.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

2. Accounting policies (continued)

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 20 to the financial statements.

The Trust has taken advantage of the exemption under FRS8(3) from disclosing transactions with its wholly owned subsidiary.

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 2014.

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. 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 £692,000 (2013: £474,000) 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 2014

4. Activities for generating funds

Group	2014 £'000	2013 £'000
Income from trading activities	8,330	8,149

5. Incoming resources from charitable activities

Group and Trust	2014 £'000	2013 £'000
Income from the Park	209	145
Income from the Palace	129	56
Income from Learning and Community	4	-
	<u>342</u>	<u>201</u>

6. Investment income

Group	2014 £'000	2013 £'000
Bank interest	7	12
	<u>7</u>	<u>12</u>
Trust only		
Gift aid payment from subsidiary	950	1,261
Licence fee from subsidiary	190	180
	<u>1,140</u>	<u>1,441</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

7. Analysis of total resources expended

Group	Direct costs £'000	Support costs £'000	Total 2014 £'000	Total 2013 £'000
Costs of generating funds				
Expenditure of trading subsidiary	7,139	-	7,139	6,647
Charitable expenditure				
Running and maintaining the Park	535	54	589	597
Running and maintaining the Palace	2,030	203	2,233	2,148
Learning and Community	20	2	22	-
Regeneration	628	63	691	689
	<u>3,213</u>	<u>322</u>	<u>3,535</u>	<u>3,434</u>
Governance Costs				
Wages and salaries	-	50	50	49
Professional fees	53	-	53	35
Audit fees	36	-	36	35
	<u>89</u>	<u>50</u>	<u>139</u>	<u>119</u>
Total for Group	<u>10,441</u>	<u>372</u>	<u>10,813</u>	<u>10,200</u>
Trust only				
Charitable expenditure				
Running and maintaining the Park	535	54	589	597
Running and maintaining the Palace	2,030	203	2,233	2,148
Learning and Community	20	2	22	-
Regeneration	628	63	691	689
	<u>3,213</u>	<u>322</u>	<u>3,535</u>	<u>3,434</u>
Governance Costs				
Wages and salaries	-	50	50	49
Professional fees	53	-	53	35
Audit fees	19	-	19	18
	<u>72</u>	<u>50</u>	<u>122</u>	<u>102</u>
Total for Trust	<u>3,285</u>	<u>372</u>	<u>3,657</u>	<u>3,536</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

8. Support costs

Group and Trust	Note	2014 £'000	2013 £'000
Wages and salaries		263	211
Overheads		109	428
	10	<u>372</u>	<u>639</u>

9. Net outgoing resources

	2014 £'000	2013 £'000
Net outgoing resources is stated after charging:		
Fees payable to the charity's auditor for the audit of the charity's annual accounts	18	18
Fees payable to the charity's auditor for other services:		
The audit of the charity's subsidiary, pursuant to legislation	17	16
Tax compliance services	4	3
Operating lease rentals - land and buildings	6	6
Operating lease rentals - plant & machinery	31	22
Depreciation	434	381
	<u>434</u>	<u>381</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

10. Support Costs

Group and Trust

	Basis of allocation	Running & maintaining the park £'000	Running & maintaining the palace £'000	Learning & Community £'000	Regeneration £'000	Governance £'000	Total 2014 £'000	Total 2013 £'000
Support costs allocated to activities								
General Office	Pro rata to expenditure	36	134	1	42	50	263	511
Insurance net of APTL licence	Direct (2013:Area occupied)	-	-	-	-	-	-	90
Office Management incl Finance & HR	Pro rata to expenditure	18	69	1	21	-	109	38
Total support costs		<u>54</u>	<u>203</u>	<u>2</u>	<u>63</u>	<u>50</u>	<u>372</u>	<u>639</u>

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 2014

11. Staff costs

	Group 2014 £'000	Group 2013 £'000	Trust 2014 £'000	Trust 2013 £'000
Wages and salaries	2,536	1,997	554	323
Social security costs	219	176	57	33
Pension costs	145	157	83	60
Agency staff costs	356	413	3	117
	<u>3,256</u>	<u>2,743</u>	<u>697</u>	<u>533</u>

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

	2014 Number	2013 Number
£60,000 - £70,000	1	1
£70,000 - £80,000	2	2
£110,000 - £120,000	-	1
£120,000 - £130,000	1	-

Employer contributions to the defined contribution pension scheme for employees earning over £60,000 in the year were £38,000 (2013: £12,000) relating to two (2013: one) employees. The number of employees earning over £60,000 to whom retirement benefits accrued under defined benefit schemes was two (2013: 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 2014	Group 2013	Trust 2014	Trust 2013
Cost of generating funds	73 (51)	63 (39)	-	-
Running the Park	1 (1)	1 (1)	1 (1)	1 (1)
Running the Palace	1 (1)	1 (1)	1 (1)	1 (1)
Learning and Community	1 (1)	-	1 (1)	-
Regeneration	3 (3)	2 (2)	3 (3)	2 (2)
Management and administration	12 (12)	11 (11)	4 (4)	4 (4)
	<u>91 (69)</u>	<u>78 (54)</u>	<u>10 (10)</u>	<u>8 (8)</u>

The trustees did not receive any remuneration or reimbursement of expenses during the year (2013: £nil).

12. Taxation

Alexandra Park and Palace Charitable Trust is a registered charity. As such its sources of income and gains, received under Part 10 of the Income Tax Act 2007 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 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 2014

13. Tangible fixed assets

Group	Improvements to Palace and Park £'000	Plant and machinery £'000	Office equipment, furniture and fittings £'000	Total £'000
Cost				
At 1 April 2013	3,175	1,331	858	5,364
Additions	837	168	153	1,158
At 31 March 2014	4,012	1,499	1,011	6,522
Depreciation				
At 1 April 2013	522	627	526	1,675
Charge for the year	189	103	142	434
At 31 March 2014	711	730	668	2,109
Net book value				
At 31 March 2014	3,301	769	343	4,413
At 31 March 2013	2,653	704	332	3,689

Trust only	Improvements to Palace and Park £'000	Plant and machinery £'000	Office equipment, furniture and fittings £'000	Total £'000
Cost				
At 1 April 2013	3,175	1,304	637	5,116
Additions	837	129	41	1,007
At 31 March 2014	4,012	1,433	678	6,123
Depreciation				
At 1 April 2013	522	625	458	1,605
Charge for the year	189	99	91	379
At 31 March 2014	711	724	549	1,984
Net book value				
At 31 March 2014	3,301	709	129	4,139
At 31 March 2013	2,653	679	179	3,511

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

14. Fixed asset investments

Trust only	2014	2013
	£	£
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 Bar and Kitchen and the ice rink.

Alexandra Palace Trading Limited paid £950,000 (2013: £1,261,000) 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:

	2014	2013
	£'000	£'000
Turnover	8,330	8,148
Cost of sales	(6,741)	(6,188)
Gross Profit	1,589	1,960
Administrative expenses	(594)	(648)
Operating profit	995	1,312
Interest receivable and other similar income	7	12
Other finance (costs)/income	(11)	(5)
Profit paid via gift aid to the trust	(950)	(1,261)
Result for the financial year	41	58
Retained deficit brought forward	(662)	(664)
Actuarial loss on pension fund	(132)	(55)
Retained deficit carried forward	753	(661)

15. Stocks

	Group	Group	Trust	Trust
	2014	2013	2014	2014
	£'000	£'000	£'000	£'000
Food and beverages	88	68	-	-
Disposables	18	13	-	-
Other	2	2	-	-
	108	83	-	-

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

16. Debtors: amounts falling due within one year

	Group 2014 £'000	Group 2013 £'000	Trust 2014 £'000	Trust 2013 £'000
Trade debtors	980	550	13	26
Other amounts due from subsidiary undertaking	-	-	402	606
Gift aid due from subsidiary undertaking	-	-	950	1,261
Other debtors	1	30	-	-
Prepayments and accrued income	1,116	37	965	10
	<u>2,097</u>	<u>617</u>	<u>2,330</u>	<u>1,903</u>

17. Creditors: amount falling due within one year

	Group 2014 £'000	Group 2013 £'000	Trust 2014 £'000	Trust 2013 £'000
Trade creditors	1,157	799	618	429
Taxation and social security	190	17	11	-
Other creditors	56	23	-	-
Accruals	509	287	196	118
Deferred income	826	496	23	18
Overdraft	263	-	43	-
Ice rink refurbishment loans	213	153	213	153
	<u>3,214</u>	<u>1,775</u>	<u>1,104</u>	<u>718</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

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

	Group 2014 £'000	Group 2013 £'000	Trust 2014 £'000	Trust 2013 £'000
Ice rink refurbishment loans	1,712	1,925	1,711	1,924
Deferred income	20	-	-	-
	<u>1,732</u>	<u>1,925</u>	<u>1,711</u>	<u>1,924</u>

The ice rink refurbishment loans comprise two unsecured long term loans from London Borough of Haringey to refurbish the ice rink facility, of which £213,000 is repayable within one year. £67,000 of the original loan was for five years at zero interest. The remainder was for a twelve year period at an interest rate of 3.5%. £897,000 is repayable in more than five years (2013: £1,158,000 was repayable in more than five years).

19. Deferred income

	Group 2014 £'000	Group 2013 £'000	Trust 2014 £'000	Trust 2013 £'000
Reconciliation of movement:				
Balance brought forward	496	1,954	18	44
Amount released to SOFA during the year	(496)	(1,954)	(18)	(44)
Amount deferred during the year	846	496	22	18
Balance carried forward	<u>846</u>	<u>496</u>	<u>22</u>	<u>18</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

20. Provisions for liabilities

	Group 2014 £'000	Group 2013 £'000	Trust 2014 £'000	Trust 2013 £'000
Haringey Council: Indemnification	48,747	47,614	48,747	47,614
Reconciliation of movement:				
Balance brought forward	47,614	45,586	47,614	45,586
Deficit support	1,711	1,492	1,711	1,492
Working capital (decreases)/increases	(731)	433	(731)	433
Ice rink loan repayment	153	103	153	103
Balance carried forward	48,747	47,614	48,747	47,614

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 the amounts paid by Alexandra Park and Palace Charitable Trust to Haringey Council: general rates of £59,000 (2013: £59,000); exhibition licences of £51,000 (2013: £51,000); public liability insurance £40,000 (2013: £40,000); APTL liability insurance of £20,000 (2013: £20,000); legal and professional fees £20,000 (2013: £13,000); road repairs £nil (2013: £35,000); printing and other sundry items of £2,000 (2013: £2,000).

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 2014

20. 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 2013/14 (2)	24,437	4,854	29,291
Provision: 1988/89 to 1990/91 (3)	755	2,641	3,396
	<u>30,197</u>	<u>17,376</u>	<u>47,573</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 2013/14 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.

21. Accumulated unrestricted funds

	Balance 1 April 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Actuarial loss £'000	Balance 31 March 2014 £'000
Unrestricted deficit funds	(46,396)	8,681	(10,503)	-	-	(48,218)
Pension deficit funds	(485)	-	32	-	(132)	(585)
Designated capital funds	1,419	-	(181)	995	-	2,233
	<u>(45,462)</u>	<u>8,681</u>	<u>(10,652)</u>	<u>995</u>	<u>(132)</u>	<u>(46,570)</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

22. Restricted funds – Group and Trust

	Balance 1 April 2013 £'000	Incoming resources £'000	Expenditure and transfers £'000	Balance 31 March 2014 £'000
Haringey capital grant	-	692	(692)	-
Environment Agency Grant	1	-	-	1
Organ Appeal Fund	4	-	(4)	-
English Heritage	3	273	(273)	3
Heritage Lottery Fund	-	904	(184)	720
Training Grant	-	3	(3)	-
	<u>8</u>	<u>1872</u>	<u>(1,156)</u>	<u>724</u>

The restricted funds balance at 31 March 2014 is represented by accrued income of £720,000 and cash at bank of £4,000.

The Haringey capital grant represents funds received for the purchase of fixed assets.

The Environment Agency Grant Fund relates to monies raised for the Boating Lake

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

The English Heritage Fund relates to monies raised for restoration work to the theatre.

The Heritage Lottery Fund relates to restore our derelict theatre and television studios

The Training Grant Fund relates to Grant Thornton scheme called the Growth Accelerator

Once an acquisition discharges the restriction of the grant then the assets will be held in designated funds. A transfer of the fixed assets from restricted funds will therefore be made to the designated fund in the year of purchase. £995,000 was transferred from restricted to designated funds in 2013/14 in relation to this.

23. Total funds

	Group 2014 £'000	Group 2013 £'000	Trust 2014 £'000	Trust 2013 £'000
Opening deficit fund balance	45,454	44,120	44,790	43,455
Deficit in year	260	1,279	303	1,335
Actuarial loss	132	55	-	-
	<u>45,846</u>	<u>45,454</u>	<u>45,093</u>	<u>44,790</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

24. Commitments under operating leases – Group only

	2014 £'000	2013 £'000
Payments due within one year on leases expiring:		
Land and buildings		
Within 1 year	6	6
Equipment		
Within 1 year	5	10
Within 2-5 years	31	17
	41	33
	41	33

25. 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	6.6%
Rate of investment – bonds	3.5%
Rate of pensionable salary increases (excl. increments)	4.4% for 2010 – 2012 reverting to 5.3% thereafter
Rate of price inflation/pensions increases	2.6%
Discount rate	4.1%

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

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

25. Pension scheme (continued)

Trading company:

(b) 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 three (2013: three) scheme members still in the employment of the trading company as at 31 March 2014. 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.

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%
Rate of investment – bonds	4.5%
Rate of pensionable salary increases (excl. increments)	1.1% for 2010 – 2012 reverting to 5.3% thereafter
Rate of price inflation/pensions increases	3.3%
Discount rate	6.1%

Alexandra Palace Trading Limited employer's contribution is 18.7% of salary. The pension contribution for the year was £22,000 (2013: £18,000). In addition APTL paid £43,000 (2013: £41,000) towards reducing the fund deficit.

The actuarial valuation described above has been updated at 31 March 2014 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	
	2014	2013
	%	%
Rate of pensionable salary increases (excluding increments)	2.6	2.5
Rate of price inflation/pensions increases	4.4	4.8
Discount rate	4.1	4.8
Expected rate of return on assets	6.0	5.6

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

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

25. Pension scheme (continued)

For the year ended 31 March 2014, the expected return on the above assets was £117,000 (2013: £112,000), less the interest on pension scheme liabilities of £124,000 (2013: £117,000) gives a net finance cost of £7,000 (2013: £5,000). Therefore overall the net cost to the statement of financial activities for the year ended 31 March 2014 is £29,000 (2013: £23,000) after deduction of the current service cost.

Recognition in the statement of financial activities

	2014 £'000	2013 £'000
Current service cost	22	18
Interest cost	124	117
Expected return on employer assets	(117)	(112)
	<u>29</u>	<u>23</u>

The actual return on plan assets was £113,000 (2013: £311,000).

Reconciliation of defined benefit obligation

	2014 £'000	2013 £'000
Opening Defined Benefit Obligation	2,788	2,477
Current service cost	22	18
Interest cost	124	117
Contributions by members	5	5
Actuarial losses	62	255
Benefits paid	(100)	(84)
	<u>2,901</u>	<u>2,788</u>

Reconciliation of fair value of employer assets

	2014 £'000	2013 £'000
Opening fair value of employer assets	2,303	2,011
Expected return on assets	117	112
Contributions by members	5	5
Contributions by the employer	62	59
Actuarial (losses)/gains	(70)	200
Benefits paid	(100)	(84)
	<u>2,317</u>	<u>2,303</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2014

25. Pension scheme (continued)

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

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Fair value of employer assets	2,317	2,303	2,011	1,925	1,805
Present value of defined benefit obligation	(2,901)	(2,788)	(2,477)	(2,274)	(2,783)
Deficit	(584)	(485)	(466)	(349)	(978)
Experience (losses)/gains on assets	(70)	200	(62)	56	372
Experience gains/(losses) on liabilities	15	4	(34)	(25)	-

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

Fair value of employer assets:

	2014 £'000	2013 £'000
Equities	1,808	1,728
Bonds	324	414
Property	162	138
Cash	23	23
Total	2,317	2,303

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

	2014 £'000	2013 £'000
Actuarial loss	(132)	(55)

The cumulative amount of actuarial losses recognised in the statement of financial activities is £792,000 (2013: £660,000). Contributions of £63,000 are expected to be paid into the scheme during the year to 31 March 2015.

c) 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 £29,000 (2013: £25,000). There were no unpaid pension contributions as at 31 March 2014 (2013 £nil).

26. Controlling party

The charity's ultimate controlling party is the London Borough of Haringey. The parent undertaking of the largest and smallest group, which includes the charity and for which group accounts are prepared, is the London Borough of Haringey. Copies of the group financial statements of the London Borough of Haringey are available from Haringey Council, Civic Centre, High Road, Wood Green, London N22 8LE.