



## NOTICE OF MEETING

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# Special Alexandra Palace and Park Board

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TUESDAY, 6TH JANUARY, 2009 at 19:00 HRS – Palm Court Suite 5, ALEXANDRA PALACE, ALEXANDRA PALACE WAY, WOOD GREEN, LONDON N22.

**Councillors:** Councillor Egan (Chair), Councillor Dogus (Vice-Chair), Councillor Hare, Councillor Oakes, Councillor Peacock, Councillor Stanton, and Councillor Williams

**Non-voting representatives:**

Ms V. Paley, Mr M. Tarpey and Mr N Willmott  
(Alexandra Palace and Park Consultative Committee).

**Observer:**

Mr D. Liebeck (Chair, Alexandra Park and Palace Advisory Committee).

### AGENDA

1. **APOLOGIES FOR ABSENCE**
2. **URGENT BUSINESS**

The Chair will consider the admission of any late reports, related to items 4, 5 & 6 below, which will be considered under those agenda items. In accordance with the Council's Constitution – Part 4 Section B – para 17, as the meeting is 'Special' no other business will be transacted at the meeting other than those Items listed below.

3. **DECLARATIONS OF INTERESTS**

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

**4. APPOINTMENT OF DIRECTOR TO ALEXANDRA PALACE TRADING LTD  
(PAGES 1 - 14)**

Report of the General Manager Alexandra Palace - advising the Board of the resignation of an appointed Board member from the Board of Directors of Alexandra Palace Trading Limited , and appointment of Board Member to fill the resultant vacancy.

**5. CHANGE OF BANKING ARRANGEMENTS AND SIGNATORIES (PAGES 15 - 20)**

Report of the Head of Finance – Alexandra Palace and Park

**6. APPROVAL OF ANNUAL REPORT AND CONSOLIDATED ACCOUNTS 2007/2008  
(PAGES 21 - 108)**

Report of the General Manager Alexandra Palace

***In accordance with the Council's Constitution – Part 4 Section B – para 17, no other business will be transacted at the meeting***

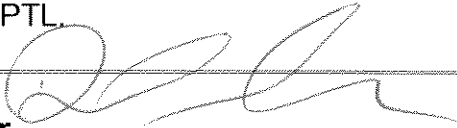
Yuniea Semambo  
Head of Local Democracy & Member Services  
River Park House  
225 High Road  
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London N22 8HQ

Clifford Hart  
Committee Manager - Non Cabinet  
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Tel: 020-8489 2920  
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23 December 2008



Agenda item:

<b>Special Alexandra Palace &amp; Park Board</b>	<b>On 6<sup>th</sup> January 2009</b>
Report Title: Appointment of Director to Alexandra Palace Trading Limited	
Report of: <b>David Loudfoot, General Manager</b>	
<b>1. Purpose</b> 1.1 To report to the Board that Cllr Cooke resigned as a Director of APTL on the 18th December 2008. 1.2 To seek a nomination and agreement of such nominee to act as Director of APTL.	
<b>2. Recommendations</b> 2.1 That the Board notes the resignation of Cllr Cooke. 2.2 That the Board nominates a replacement Director of APTL.	
Report Authorised by: <b>David Loudfoot, General Manager</b> ..... 	
Contact Officer: <b>David Loudfoot, General Manager, Alexandra Palace &amp; Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 2121</b>	
<b>3. Executive Summary</b> 3.1 The resignation of Cllr Cooke requires a replacement nominee from amongst the board members to serve as a Director of APTL.	
<b>4. Reasons for any change in policy or for new policy development (if applicable)</b> 4.1 N/A	
<b>5. Local Government (Access to Information) Act 1985</b> 5.1 No specific background papers other than those attached to the report were used in compiling this report.	

**6. Report.**

- 6.1 Cllr Cooke has resigned as a director of APTL, this resignation was made on 18th December and was with immediate effect.
- 6.2 Appendix 1 details the Memorandum and Articles of APTL and attention is drawn to Clause 7.2.1 which provides that of a maximum of 8 Directors up to 4 shall be trustees of the Charity.
- 6.3 The Board has previously received legal advice from the Council that the political balance rules are not applicable to the selection of Directors for APTL.
- 6.4 The Current Directors of APTL are thus :

Cllr Egan (as trustee)  
Cllr Oakes (as trustee)  
Cllr Hare (as trustee)  
Julie Parker (as an employee of the LB Haringey)  
Graham Golby (non-exec Director)  
Terence Golding (non-exec Director)

Board members are asked to nominate and appoint an additional trustee Director to APTL.

**7. Recommendations**

- 7.1 That the Board notes the resignation of Cllr Cooke as a Director of APTL.
- 7.2 That the Board nominates a replacement Director of APTL.

**8. Financial Implications**

- 8.1 Trustees acting as Directors do not receive any remuneration for the responsibility and as such appointment of a new Director from the trustees has no cost implications.
- 8.2 The LBH Chief Financial Officer has been provided with a copy of this report and has no formal comment to add.

**9. Legal Implications**

- 9.1 The Trusts solicitor has been consulted in connection with the preparation of this report and his advice has been taken into account.
- 9.2 Previous Legal advice from the council is that the political balance rules are not applicable to the selection of Directors for APTL.
- 9.3 The LBH Head of Legal Services has been supplied a copy of this report.

**10. Use of Appendices / Tables / Photographs**

10.1 Appendix 1 - APTL Memorandum and Articles of Association

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

ALEXANDRA PALACE TRADING LIMITED

(As amended by Special Resolutions dated 19<sup>th</sup> August 1999,  
12<sup>th</sup> October 1999 and 13<sup>th</sup> February 2002)

BATES, WELLS & BRAITHWAITE  
Cheapside House  
138 Cheapside  
London EC2V 6BB  
STL.MC.JM.016883.4

THE COMPANIES ACTS 1985 TO 1989

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COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

of

ALEXANDRA PALACE TRADING LIMITED

(As amended by Special Resolutions dated 19<sup>th</sup> August 1999,  
12<sup>th</sup> October 1999)

1. The Company's name is Alexandra Palace Trading Limited.
2. The Company's registered office is to be situated in England and Wales.
- 3A. The object of the company is to carry on business as a general commercial company to procure profits and gains for the purpose of paying them to Alexandra Palace and Park Charitable Trust (registered charity number 281991) or any other charitable body which succeeds to its charitable purposes.
- 3B. The company shall pay such profits and gains at such times and after making such retention for the purposes of the company's continued trade and development as the directors think fit.
4. The liability of the members is limited.
5. The Company's share capital is £100 divided into 100 shares of £1 each.

We the subscribers to this Memorandum of Association wish to be formed into a company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

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NAMES AND ADDRESSES OF SUBSCRIBERS	Number of Shares taken by each Subscribers
LONDON LAW SERVICES LIMITED Temple Chambers Temple Avenue London EC4Y OHP	One
LONDON LAW SECRETARIAL LIMITED Temple Chambers Temple Avenue London EC4Y OHP	One
Total of shares taken	Two

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Dated the 29<sup>th</sup> day of July 1999

Witness to the above signature:-

COLIN A LAW  
Temple Chambers  
Temple Avenue  
London EC4Y OHP



THE COMPANIES ACTS 1985 – 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ALEXANDRA PALACE TRADING LIMITED

(As amended by Special Resolutions dated 19<sup>th</sup> August 1999,  
12<sup>th</sup> October 1999 and 13<sup>th</sup> February 2002)

INTERPRETATION

1. In these articles:-
  - 1.1 “the Act” means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
  - 1.2 “the Articles” means these articles of the company.
  - 1.3 “the Charity” means Alexandra Palace and Park Charitable Trust (registered charity number 281991) or any other charitable body which succeeds to its charitable purposes.
  - 1.4 “clear days” in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
  - 1.5 “the Council” means Haringey Council of Civic Centre, Wood Green, London N22 8LE.
  - 1.6 “the Memorandum” means the memorandum of association of the company.
  - 1.7 “Secretary” means the secretary of the company or any other person appointed to perform the duties of the secretary of the company.
  - 1.8 Unless the context otherwise requires, words or expression contained in the Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when the Articles become binding on the company.
  - 1.9 The provisions of Table A shall not apply to and are expressly excluded from the Articles except where they are expressly included.

SHARES

2. Subject to the provisions of the Act any share may be issued with such rights or restrictions as the company may by ordinary resolution determine.
3. No share shall be transferred except with the consent of the member which may in its absolute discretion and without giving any reason decline to register any transfer of any share.

AUTHORISED REPRESENTATIVES

4. The company secretary from time to time of each corporate member (or such other person as is from time to time notified to the company in writing) shall be the duly authorised representative of such corporate member.

MEETINGS AND COMPANY RESOLUTIONS

5. Subject to the provisions of the Act, the company shall dispense with the holding of general meetings and all resolutions of the company shall be passed by way of written resolution signed by the member or, in the case of a corporate member, by its duly authorised representative.
6. If in accordance with the Act a general meeting is required to be called then the provisions of articles 40 to 63 inclusive of Table A in force on the date of incorporation of the company shall apply to such meeting.

DIRECTORS

- 7.1 The maximum number of directors shall be eight and the minimum two.
- 7.2 The Board of directors shall comprise eight directors of which:
  - 7.2.1 up to four shall be trustees of the Charity;
  - 7.2.2 one shall be an employee of the Company;
  - 7.2.3 one shall be an officer of the Council;
  - 7.2.4 two others who shall not be officers or members of the Council, employees of the Company or trustees of the Charity.

Appointment and Removal of Directors

8. The directors shall be appointed by resolution of the member. The directors shall be removed by service of a notice as provided for in article 9.7.
9. The office of a director shall be vacated if -
  - 9.1 he or she ceases to be a director by virtue of any provision of the Act or he or she becomes prohibited by law from being a director; or
  - 9.2 he or she ceases to be a member of the London Borough of Haringey and is disqualified from such duty; but this Article will not apply to any director whose membership of the Council terminates in the period immediately prior to Council elections as part of the Council's election cycle. Any such director shall continue in office until replaced by a successor or re-appointed following the Council elections.
  - 9.3 he or she becomes bankrupt or makes any arrangement or composition with his or her creditors generally; or
  - 9.4 he or she is, or may be, suffering from mental disorder and either:-
    - (i) he or she is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
    - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his or her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his or her property or affairs; or
  - 9.5 he or she resigns his or her office by notice to the company; or
  - 9.6 he or she shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his or her office be vacated.
  - 9.7 a written notice dismissing the director signed by the member's authorised representative, is served on the company at its registered office.

Powers of Directors

10. Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
11. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his or her powers.

Delegation of Directors' Power

12. The directors may delegate any of their powers to any committee consisting of one or more directors. ~~They may also delegate to any managing director~~ or any director holding any other executive office such of their powers as they consider desirable to be exercised by him or her. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.

Remuneration of Directors

13. The directors (other than the director identified in Article 7.2.3 and directors who are also trustees of the Charity) shall be entitled to such remuneration as the company may by ordinary resolution determine.

Directors' Expenses

14. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or otherwise in connection with the discharge of their duties.

Directors' Appointments and Interests

15. Subject to the provisions of the Act a director

- 15.1 may be a director or other officer of, or employed by the Charity or any body corporate promoted by the company or in which the company is otherwise interested provided that no director who is also a trustee of the Charity shall be remunerated or receive other benefits in respect of such employment or office; and
- 15.2 shall not, by reason of his or her office, be accountable to the company for any benefit which he or she derives from any such office or employment and no transaction or arrangement of the company shall be liable to be avoided on the ground of any such benefit.

Proceedings of Directors

16. Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chair shall have a second or casting vote.
17. The quorum for the transaction of the business of the directors may be fixed by the member and unless so fixed at any other number shall be two.
18. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of calling a general meeting.
19. The directors may appoint one of their number to be the chair of the board of directors and may at any time remove him or her from that office. Unless he or she is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he or she is present. If there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chair of the meeting.
20. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

21. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors. The date of a written resolution of the directors shall be the date on which the last director signs.
- 22.1 Save as otherwise provided by the Articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he or she has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the company.
- 22.2 Any person who is both a director and an officer of the Council should at a meeting of directors or of a committee of directors declare his interest and not vote on a resolution concerning any matter which relates to the relationship between the Company and the Council.
23. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he or she is not entitled to vote.
24. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
25. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he or she is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his or her own appointment.
26. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chair of the meeting and his or her ruling in relation to any director other than himself or herself shall be final and conclusive.

SECRETARY

27. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such

conditions as they may think fit; and any secretary so appointed may be removed by them. The secretary shall not be remunerated if he or she is a trustee of the Charity but shall be entitled to reimbursement of expenses to the same extent that the directors are entitled.

MINUTES

28. The directors shall cause minutes to be made in books kept for the purpose:-
- 28.1 of all appointments of officers made by the directors; and
- 28.2 of all proceeding at meetings of the company and of the directors, and of committees of directors, including the names of the directors present at each such meeting;

and the directors shall cause all written resolutions of the members and of the directors to be kept in such books.

ACCOUNTS

29. Accounts shall be prepared in accordance with the Act.

NOTICES

30. Notices under the Articles may be sent by hand, or by post or by suitable electronic means. The only address at which the member is entitled to receive notices is the address shown in the register of members. Any notice given in accordance with the Articles is to be treated for all purposes as having been received three days after being sent by first class post to that address or immediately if sent by electronic means effecting immediate transmission and receipt or, if earlier, on being handed personally to the member or, in the case of a corporate member, its duly authorised representative.

WINDING UP

31. If the company is wound up all remaining assets of the company after paying the debts of the company and the costs of winding up shall be paid to the Charity.

INDEMNITY

32. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of

the assets of the company against any liability incurred by him or her in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application in which relief is granted to him or her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

DIRECTORS' INDEMNITY INSURANCE

33. The directors shall have power to resolve to effect directors' indemnity insurance despite their interest in such policy.

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NAME AND ADDRESSES OF SUBSCRIBERS

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LONDON LAW SERVICES LIMITED

Temple Chambers  
Temple Avenue  
London EC4Y 0HP

LONDON LAW SECRETARIAL LIMITED

Temple Chambers  
Temple Avenue  
London EC4Y 0HP

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Dated the 29<sup>th</sup> day of July 1999

Witness to the above signature:-

COLIN A LAY


Temple Chambers  
Temple Avenue  
London EC4Y 0HP





Agenda No:

**SPECIAL ALEXANDRA PARK & PALACE BOARD****6<sup>th</sup> January 2009**

Report Title: <b>Change of banking arrangements and signatories</b>	
Report of: <b>Helen Downie, Head of Finance, Alexandra Palace &amp; Park</b>	
<b>1. Purpose</b>	
1.1	To seek Board approval to open a new current account with Royal Bank of Scotland.
1.2	To seek a nomination for an additional signatory to the charity bank account.
<b>2. Recommendations</b>	
2.1	The Board approves the new bank mandate and nominates the Chair and the General Manager to sign it on behalf of the charity.
2.2	The Board nominates a trustee to replace Cllr Matthew Cooke to act as signatory.
Report Authorised by <b>Helen Downie, Head of Finance Alexandra Palace</b> 	
<b>3. Executive Summary</b>	
3.1	The Board approved the proposal to move the Trust's bank account from the Co-operative Bank to Royal Bank of Scotland at their meeting on 22 <sup>nd</sup> July 2008. The relevant account opening forms have been obtained from LBH Finance Department. The forms are in the trading name of NatWest (part of the RBS Group).
3.2	The mandate provided is a Local Authority Mandate in the sense that the wording is specific to local authority accounts. This is because the Alexandra Park and Palace Trust account will be linked to a LBH account from which the bi directional sweep will be made on a daily basis to ensure it does not fall below the agreed balance. This arrangement was also in place with the Co-operative Bank.
3.3	The signing authorities for the account remain unchanged i.e. one signatory where the payment is below £5,000, two signatories where the

	payment is £5,000 or greater.
3.4	The Board is asked to nominate a Trustee to replace Cllr Matthew Cooke as signatory on the mandate.
3.5	A copy of the NatWest mandate is provided in Appendix 1
<b>4.</b>	<b>Reasons for any change in policy or for new policy develop (if applicable).</b>
4.1	N/A.
<b>5.</b>	<b>Local Government (Access to Information Act 1985)</b>
5.1	Further information about this report can be obtained from Helen Downie, Head of Finance, Alexandra Park & Palace, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 020 8365 2121.

**6. Report**

- 6.1 Following a full tender process, LB Haringey entered into a contract with the Royal Bank of Scotland for banking services on 1<sup>st</sup> April 2008. The Council's previous bankers were the Co-operative Bank.
- 6.2 The Council provides working capital to Alexandra Park and Palace Charitable Trust by 'topping up' the balance on the Trust's current account on a daily basis. This is done by automated bank transfer on a bi-directional sweep so as to maintain a constant overnight balance on the account.
- 6.3 This service is provided free of charge where the accounts are held at the same bank. For this reason, and in view of the outcome of the tender exercise, the Board resolved to move the Trust's bank account from the Co-operative bank to RBS at their meeting on 22<sup>nd</sup> July 2008.
- 6.4 A copy of the mandate is provided in Appendix 1. It was agreed that the signing authorities for the account will remain unchanged i.e. one signatory where the payment is below £5,000, two signatories where the payment is £5,000 or greater.
- 6.5 It is preferable for operational reasons to have at least four signatories on the bank mandate. Following the resignation of Cllr Cooke, there will only be two. Board is asked to nominate a Trustee to replace Cllr Cooke as signatory to the mandate.

**7. Consultation**

- 7.1 None necessary

**8. Summary and Conclusions**

8.1 N/A

**9. Recommendations**

9.1 The Board agrees the recommendations at Paragraph 2.

**10. Financial Implications**

10.1 The LBH Chief Financial Officer has been sent a copy of this report.

10.2 The comments of the LBH Chief Financial Officer are provided at Appendix 2

10.3 Whilst the Trust bank account remains with the Co-operative Bank, LB Haringey will be charged a transaction fee each time a sweep is made to/from the Council's current account

**11. Legal Implications**

11.1 The trust solicitor and the LBH head of legal have been sent a copy of this report.

**12. Use of Appendices/Tables/Photographs**

12.1 Appendix 1 – NatWest Bank Mandate

12.2 Appendix 2 – Appendix 2 - Comments of LBH CFO.

Local Authority mandate

Please complete this mandate using a BLACK ballpoint pen in BLOCK CAPITALS

To NatWest

Full Title of Local Authority Account:

LB HARINGEY ALEXANDRA PARK & PALACE CHARITABLE TRUST

Account number Account Holding Sort Code

At a meeting of the Local Authority, held on the:

06 01 2009

it was and is hereby resolved that:

- 1. You should pay cheques or accept other written instructions to make payments by any means (including electronically) from any of the Local Authorities accounts, even if this causes an overdraft or increases an existing overdraft;
2. For all other purposes (without being in any way limited by paragraph 1 above), you may treat any written instruction, agreement or undertaking of any nature as duly given by and binding on the Local Authority:

WHEN SIGNED BY

Option One

Any [Insert Number] of the signatories named in the authorised signatory sheet(s) NWB 1061

Or

Option Two

Any other combination of the signatories named in the authorised signatory sheet(s) NWB 1061 as specified (in the box) below.

ANY ONE SIGNATORY WHERE PAYMENT IS LESS THAN £5,000
ANY TWO SIGNATORIES WHERE PAYMENT IS £5,000 OR GREATER

- 3. The signatories who sign in accordance with the signing instructions above may agree and sign on the Local Authorities behalf any agreement or document necessary for the provision of banking services involving the giving of instructions by the Local Authority to the Bank or the giving of information by the Bank to the Local Authority by electronic or similar means.
4. These resolutions and our mandate to you be completed and given to you, to remain in force until you are advised in writing to the contrary (which includes any revocation of this mandate) when signed by any two authorised signatories, as named in the authorised signatory sheet(s) NWB 1061.
5. The authorised signatory sheet(s) NWB1061, be completed and given to you.

These resolutions were passed and are signed on behalf of the Local Authority by:

Signature of Authorised Signatory & Signature of Authorised Signatory

DATE

For Bank use only

CRN/Account number +

Account Holding Sort Code

+Delete as appropriate
National Westminster Bank Plc
S&TS/LA Rev Oct99

**Appendix 2**

**Comments of the London Borough of Haringey Chief Financial Officer:**

**Gerald Almeroth LBH CFO has been supplied a copy of this report and provided the following comment:**

**'I support the recommendations in the report.'**

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Agenda No:

**SPECIAL ALEXANDRA PARK & PALACE BOARD****6<sup>th</sup> January 2009**

Report Title: **Approval of Annual Report and Consolidated Accounts 2007/08**

Report of: **David Loudfoot, General Manager, Alexandra Palace & Park**

**1. Purpose**

- 1.1 To approve the Annual Report and Consolidated Accounts for the year ended 31<sup>st</sup> March 2008 and the Annual Return.

**2. Recommendations**

- 2.1 The Board review the contents of the letter of representations and nominate the Chair to sign the letter on behalf of the charity
- 2.2 The Trustees consider whether there are any declarations of interest or related party transactions which should be declared. If no such declarations are required, each trustee must sign the relevant declaration to that effect.
- 2.3 The Board approves the Annual Report and Consolidated Accounts for 2007/2008 and nominates the Chair to sign them on behalf of the charity for submission to the Charity Commission.
- 2.4 The Board approves the Annual Return and authorise the Chair to sign it on behalf of the Board and authorise the General Manager to complete this on line at the Charity Commission.
- 2.5 The Board notes the contents of the management letter provided by Deloitte in relation to the audit of the consolidated financial statements for the year ended 31<sup>st</sup> March 2008
- 2.6 The Board notes that the audit for the 2008/09 accounts will be undertaken by Deloitte in accordance with the Board's decision of 19 March 2008 and that future provision of audit is being tendered.

Report Authorised by  
David Loudfoot, General Manager

<p><b>3. Executive Summary</b></p> <p>3.1 The audit of the 2007/2008 accounts by a registered auditor in compliance with Part VI of the Charities Act 1993 is complete and the accounts are attached at Appendix 1 and include at page 10 the audit opinion.</p> <p>The draft annual return is attached at Appendix 2.</p> <p>The letter of representation for consideration and signature is included as Appendix 3 and once complete will form an appendix to the auditors' management letter which is attached at Appendix 4.</p> <p>Appendix 5 shows the management accounts for the year 07/08.</p>
<p><b>4. Reasons for any change in policy or for new policy develop (if applicable).</b></p> <p>4.1 N/A.</p>
<p><b>5. Local Government (Access to Information Act 1985)</b></p> <p>5.1 Further information about this report can be obtained from Helen Downie, Head of Finance, Alexandra Park &amp; Palace, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 020 8365 2121.</p>

**6. Report**

- 6.1 These accounts are the twelfth set to be audited by a registered auditor in accordance with the Charities Act 1993.
- 6.2 The deadline for submission to the Charity Commission is 31 January 2009. The Board will recall that the accounts for 2006/7, which were due to be approved and filed by 31 January 2008, were late. This was because a number of matters were raised by Board members and it was necessary to hold 2 Special meetings in March 2008 for those matters to be addressed. To avoid any repetition of this late filing a draft of the Report and Accounts, was circulated to the charity trustees on 5 December 2008. Accompanying the draft Report and Accounts was a Briefing Note from the charity's solicitor and a request that any queries be raised by 15 December so that they could be dealt with prior to circulation of final documents. No queries have been raised.
- 6.3 The audit opinion on these accounts is not qualified.
- 6.4 The Board's attention is drawn to the requirement to sign the letter of representation. A formal copy will be available for signature at the meeting once the Board has concluded its consideration of the Report and Accounts



and it will form an appendix to the management letter when this is issued by Deloitte.

- 6.5 The Board's attention is also drawn to the requirement to declare related parties and related party transactions. The individual charity trustees comprising the Board are asked to formally consider whether they have engaged in transactions covered by these definitions and if not, to sign a declaration to this effect. The same requests will be made of senior management.
- 6.6 Appendix 2 is the draft annual return (which will be completed online). The Board should consider the contents and if approved, authorise the Chair to sign it on behalf of the Board and the General Manager to complete it on line with the Charity Commission.
- 6.7 The auditors' management letter is attached as Appendix 4
- 6.8 The Board in previous years has asked that the management accounts for the same period are provided to assist with the overall deliberations and these are attached at Appendix 5.
- 6.9 The Board should note that the audit for the 2008/9 accounts will be undertaken by Deloitte in accordance with the Board's decision of 19 March 2008 and that future provision of audit is being tendered.
- 7. Consultation**
  - 7.1 None necessary
- 8. Summary and Conclusions**
  - 8.1 N/A
- 9. Recommendations**
  - 9.1 The Board agrees the recommendations at Paragraph 2.
- 10. Financial Implications**
  - 10.1 The LBH Chief Financial Officer has been sent a copy of this report.
  - 10.2 The comments of the LBH Chief Financial Officer are provided at Appendix 6
  - 10.3 The charity may be subject to a nominal fine by the Charity Commission if the Report and Accounts are submitted late
- 11. Legal Implications**
  - 11.1 The charity must submit its report by the end of January 2009.
  - 11.2 The Trust's Solicitor has been consulted in the preparation of this report.
- 12. Use of Appendices/Tables/Photographs**
  - 12.1 Appendix 1 - Audited accounts 2007/08.
  - 12.2 Appendix 2 – Draft annual return
  - 12.3 Appendix 3 - Letter of representation
  - 12.4 Appendix 4 - Auditors management letter
  - 12.5 Appendix 5 –Management accounts for 2007/8.

12.6 Appendix 6 - Comments of LBH CFO.

**ALEXANDRA PARK AND PALACE CHARITABLE TRUST**

**Appendix 1**

**TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

**DRAFT**

**Charity Number: 281991**

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## Trustees' Annual Report for the year ended 31 March 2008

### 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 2008, prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005), applicable UK accounting standards and the Companies Act 1985. In a change of accounting policy, the trustees have resolved to formally adopt FRS 17 'Retirement benefits' in the financial year ended 31 March 2008. The impact of this is discussed further in Note 19 to the financial statements.

### 2. REFERENCE AND ADMINISTRATIVE INFORMATION

Charity number	281991
General Manager	David Loudfoot (appointed 1 May 2008)
Registered Office	Alexandra Palace Alexandra Palace Way Wood Green London, N22 7AY
Auditors	Deloitte LLP 2 New Street Square London, EC4A 3EZ
Bankers	The Co-operative Bank Plc 1 Balloon Street Manchester, M60 4EP
Solicitors	Howard Kennedy 19 Cavendish Square London, W1A 2AW

The Trust also retains a number of other professional advisers, as detailed in section 5.9 of this report

#### Trustees

The following were members of the Board of Trustees during the year:

Councillor Matt Cooke (Chair of the Board)	(appointed 21 May 2007 resigned 6 January 2009)
Councillor Patrick Egan	(Vice Chair to 6 January 2009 Appointed Chair 6 January 2009)
Councillor Dilek Dogus	(appointed 21 May 2007)
Councillor Bob Hare	
Councillor John Oakes	(appointed 21 May 2007)
Councillor Sheila Peacock	
Councillor Charles Adje (Chair of the Board)	(resigned 21 May 2007)
Councillor Sheila Rainger	(resigned 21 May 2007)
Councillor Sheik Thompson	(resigned 21 May 2007)
Councillor David Beecham	
Councillor Alan Stanton	(appointed 6 January 2009)

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 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 2008 they were:
- Mrs Val Paley  
Mr Mike Tarpey  
Mr Nigel 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 2008 it was Mr David Liebeck.
- 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.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 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 and audited accounts for the previous three financial years. Further training is considered on an individual basis.

## Organisational Management

- 3.9 The Alexandra Park & Palace Board ("the Board") meet 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 2008 the Board held 4 ordinary meetings together with 5 special meetings which focused on the outcome of the search for an investment partner (see paragraph 4.6).

- 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. The panel met on 1 occasion during the financial year.

- 3.11 The day to day organisation and management of the charity is delegated to the General Manager, David Loudfoot.

## 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:

*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:*

- 1. The general policy relating to the activities and events arranged or permitted in the Park and Palace;*
- 2. The effects of such activities and events on the local inhabitants and local environment;*
- 3. 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;*
- 4. The adequacy of car parking arrangements within the Park and Palace so as to avoid overflow into adjoining residential streets;*
- 5. Any proposals which require planning permission;*
- 6. The establishment and maintenance of the Park as a Metropolitan Park; and*

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

7. *The furtherance of recreation and leisure in Alexandra Park and Palace.*

## **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 and performance are described in paragraph 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
- The charity complies with relevant laws and regulations

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. In particular it includes:

- comprehensive budgeting systems with an annual budget which is agreed by the Board of trustees;
- regular monitoring by the trustees of periodic and annual financial reports which show performance against budget forecasts at each meeting of the Board;
- setting targets to measure financial and other performance; and
- the trustees agreeing the expenditure on the building and park to ensure its appropriateness in meeting the basic objects of the charity

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.

The charity plans to introduce a more formal Risk Management Framework in the 2008/09 financial year.



# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## Volunteers

- 3.17 The charity employs a number of volunteers in the conservation area and the Information Centre and plans 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 in perpetuity, as defined in the 1985 Act.

### Activities

- 4.2 The Trust's core areas of activity include:
- a) The provision and maintenance of the park;
  - b) 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 pitch and putt course, a skateboard park, cricket pitches, football fields and associated car parking;
  - c) The provision of the ice-skating rink (undertaken through the trading subsidiary during the year) and its associated activities which include pantomimes on ice and ice discos;
  - d) The provision of free outdoor events, including bonfire night fireworks display, school tours, and other entertainment, a bicycle trail, together with children's funfairs, bank holiday funfairs and the provision of displays and mini exhibitions; and
  - e) 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 users.

### Achievements for the year

- 4.3 The 196 acres of parkland continues to be a strong public attraction for both formal and informal recreation purposes. The trustees were successful in their application to the Heritage Lottery Fund (Urban Parks Programme) for a grant of £2.7 million over five years to refurbish the park and replicate where possible the original 1870's McKenzie layout and use. The project was successfully completed in December 2007.
- 4.4 The Trustees welcome the award of this grant and recognise the major contribution made by the Heritage Lottery Fund ("HLF"). The main component parts of the project supported by this investment were:

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## Achievements for the year (continued)

- Redesign and refurbishment of the children's playground ;
- Dredging of the lake, works to the embankments and refurbishment of the lakeside cafe;
- Upgrading and extensions to the animal enclosures;
- Traffic calming measures and a "softening" of both the visual and physical impact of the through road;
- Rationalisation of the tree belt;
- Enhancement of the conservation area;
- Improvements to Grove Cafe and gardens;
- Redesign of the approach to the east of the Palace including rationalisation of the car parks;
- Increased security including security officer patrols; and
- Improvements to signage, park furniture and lighting.

As part of its commitment to the HLF restoration of the park, the Charity employs a full time park manager to ensure the park is properly maintained and the long term benefits provided by the HLF restoration project are not lost. The trustees recognise the importance of this role and intend to continue this permanent post.

- 4.5 In pursuance of its basic objects, the charity provides a number of permanent facilities including a boating lake, animal enclosures and cycle routes. The charity also organises an annual fireworks display attended by some 50-70,000 members of the public each November. The charity continues to work with other community and voluntary organisations to deliver low cost, high quality events.

## Other developments during the year

- 4.6 In autumn 2005, the Board resolved to appoint an investment partner with the aim of securing sufficient investment to enhance and develop the charity's principal building (which is currently 40% derelict) and bring it into more effective use. Following an open selection process, the Firoka Group was appointed as preferred investment partner on 30 January 2006. On 24 July 2006, the Board formally resolved to seek an order from the Charity Commission consenting to the grant of a 125 year lease to the Firoka Group. The Charity Commission sealed the Order consenting to the lease on 4 May 2007. On 9 May 2007, a short-term licence was agreed between Alexandra Park and Palace Charitable Trust and the Firoka Group in order to facilitate the efficient transfer of the business and staff to the Firoka Group.
- 4.7 However, the Charity Commission Order of 4 May 2007 was subsequently challenged in proceedings seeking a judicial review. On 5 October 2007, the court declared that the Charity Commission Order of 4 May 2007 was unlawful. In the light of this decision, it became apparent that progress on the project would not be possible before the end of the financial year and the Board therefore resolved in early December 2007 to give 28 days notice determining the short-term licence arrangement in January 2008. On 18 August 2008, the Firoka Group gave notice that they were withdrawing their interest in the project.
- 4.8 Clearly, the turn of events resulting in the overturning of the Order by judicial review were not the expectation of the trustees when the transfer was set in motion. However, the Trust has embarked on a recovery plan with the full support of the corporate trustee, London Borough of Haringey. On 7 January 2008, the Trust granted a new four year licence to Alexandra Palace Trading Limited, its wholly owned trading subsidiary, which traded very successfully between January and March 2008, transferring £713,000 in gift aid to the Trust for the financial year 2008/09.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 5. FINANCIAL REVIEW

5.1 The charity 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 196 acres of parkland and the Grade II listed Victorian property. The charity does not have any capital reserves or alternative sources of funding and has not therefore considered it necessary 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 for 2008/09 sufficient funding, including ongoing revenue support, for the Trust.

The charity's trading company, Alexandra Palace Trading Limited, has as its core activity the exhibition, event and hospitality business. This core activity has its roots in the activities previously carried out directly by the charity and transferred to the trading company on its incorporation in 1999. The trading company continues to explore new areas of business to generate tax free funds to covenant to the charity.

The trading subsidiary total income of £2 million fell by £2.6 million from the previous year due to the reduced period of activity during the temporary licence with the trading partner. The trading company gift aid to the charity this year was £0.71 million.

Overall, the peak trading period from January to March was very successful and the final out-turn position was very much better than anticipated.

Despite the worsening economic outlook, the Directors of the trading company remain confident of being able to provide an improved covenant for the financial year ahead in line with the company's business plan.

The trading company activities for generation of funds are shown in note 14.

The charity's incoming resources from charitable activities are summarised in note 5. The charity's running costs are calculated at £4.2 million and include substantial expenditure on repairs, maintenance and security. Total income generated of £1.3 million results in an overall funding shortfall of £3 million. This shortfall is met by the London Borough of Haringey.

5.2 In addition there is a cumulative sum of £37.3 million representing cumulative operating deficits of £20 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 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;
- 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 During the coming year, the Trustees plan to consider the various strategic options available for dealing with the dereliction of the main building and decide on the future strategic direction of the charity.

Whilst considering the long term need to address the condition of the building, the trustees intend that the delivery of the current charitable activities will continue and that delivery of commercial activities by the trading company will also continue and that wherever possible, both charitable and commercial activities will be expanded.

- 5.5 The trustees also intend to embark on programmes of fundraising from alternative sources to support and fund works to the park and building.

## Related Parties

- 5.6 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.
- 5.7 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.
- 5.8 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.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## Permanent advisers and other relevant bodies

5.9 The Trust receives professional advice from time to time on a range of matters. The following individuals and organisations provided advice to the Trust in the year ended 31 March 2008:

Heath Lambert Friary Court Crutched Friars London EC3N 2NP	Insurance advice
Peter Sharp Associates 211C New London Road Chelmsford Essex CM2 0AJ	Advice on mechanical and electrical maintenance
Nick Maclean Structural Engineers 8a Chamberlain Street London NW1 8XB	Advice on the fabric structure of the building
Strutt and Parker 13 Hill Street London W1J 5LQ	Advice on property matters
Land use consultants 43 Charlton Street London NW1	Advice on the landscape of the historic park
Loren Design Limited Unit 6 51 Derbyshire Street London	Advice on building fabric and roof

## Auditors

A resolution to re-appoint Deloitte LLP as the external auditors for the financial year 2008/9 was presented to the Alexandra Palace & Park Board at the meeting of 22 August 2008

This report was approved and authorised for issue by the Trust on 6 January 2009 and signed on its behalf by:

**Councillor Patrick Egan**  
Chair of the Board of Trustees

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## Independent Auditors' Report to the Trustees of Alexandra Park and Palace Charitable Trust

We have audited the group and parent charity financial statements of Alexandra Park and Palace Charitable Trust for the year ended 31 March 2008 which comprise the Consolidated Statement of Financial Activities, the Trust Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditors

The trustees' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

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

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## Independent Auditors' Report to the Trustees of Alexandra Park and Palace Charitable Trust (continued)

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and the parent charity's affairs as at 31 March 2008 and of the group's incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.

**Deloitte LLP**

Chartered Accountants and Registered Auditors

London

Date

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# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## Consolidated Statement of Financial Activities for the year ended 31 March 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 (Restated See note 19) £
<b>Incoming resources:</b>					
Incoming resources from generated funds					
Voluntary income	3	300,000	306,638	606,638	1,225,028
Activities for generating funds	4	1,713,933	-	1,713,933	4,637,727
Incoming resources from charitable activities	5	285,920	-	285,920	1,189,217
Investment income	6	59,065	-	59,065	70,648
Other incoming resources		80	-	80	2,182
<b>Total incoming resources</b>		<b>2,358,998</b>	<b>306,638</b>	<b>2,665,636</b>	<b>7,124,802</b>
<b>Resources expended:</b>					
Cost of generating funds					
Fundraising Trading cost of goods sold and other costs		1,328,098	-	1,328,098	3,941,448
Charitable activities		3,897,406	307,038	4,204,444	4,853,275
Governance costs		93,792	-	93,792	92,348
<b>Total Resources expended</b>	7	<b>5,319,296</b>	<b>307,038</b>	<b>5,626,334</b>	<b>8,887,071</b>
<b>Net outgoing resources before other recognised gains</b>					
		(2,960,298)	(400)	(2,960,698)	(1,762,269)
<b>Actuarial gains on pension scheme</b>		80,000	-	80,000	132,000
<b>Net movement in funds</b>		<b>(2,880,298)</b>	<b>(400)</b>	<b>(2,880,698)</b>	<b>(1,630,269)</b>
Opening deficit fund balance 1 April					
		(33,246,468)	39,774	(33,206,694)	(31,334,425)
Prior year adjustment	19	(302,000)	-	(302,000)	(544,000)
Opening deficit fund restated		(33,548,468)	39,774	(33,508,694)	(31,878,425)
<b>Closing deficit fund balance</b>	21	<b>(36,428,766)</b>	<b>39,374</b>	<b>(36,389,392)</b>	<b>(33,508,694)</b>

The notes on pages 16 to 34 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

## Trust Statement of Financial Activities for the year ended 31 March 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
<b>Incoming resources:</b>					
Incoming resources from generated funds					
Voluntary income	3	-	306,638	306,638	1,225,028
Activities for generating funds	4	713,000	-	713,000	660,885
Incoming resources from charitable activities					
Other incoming resources	5	285,920	-	285,920	1,189,217
		80	-	80	2,182
<b>Total incoming resources</b>		<b>999,000</b>	<b>306,638</b>	<b>1,305,638</b>	<b>3,077,312</b>
<b>Resources expended:</b>					
Charitable activities					
Governance costs		3,897,406	307,038	4,204,444	4,853,275
		65,792	-	65,792	66,848
<b>Total Resources expended</b>	7	<b>3,963,198</b>	<b>307,038</b>	<b>4,270,236</b>	<b>4,920,123</b>
<b>Net outgoing resources</b>		<b>(2,964,198)</b>	<b>(400)</b>	<b>(2,964,598)</b>	<b>(1,842,811)</b>
Opening deficit fund balance 1 April		(33,257,685)	39,774	(33,217,911)	(31,375,100)
<b>Closing deficit fund balance as at 31 March</b>	21	<b>(36,221,883)</b>	<b>39,374</b>	<b>(36,182,509)</b>	<b>(33,217,911)</b>

The notes on pages 16 to 34 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 2008

	Note No.	Group 2008 £	Group 2007 (Restated) £	Trust 2008 £	Trust 2007 £
<b>Fixed assets</b>					
Tangible assets	13	490,472	572,408	484,798	566,940
Investments	14	-	-	2	2
		<b>490,472</b>	<b>572,408</b>	<b>484,800</b>	<b>566,942</b>
<b>Current assets</b>					
Stocks	15	69,444	122,860	-	53,269
Debtors	16	819,090	711,711	1,143,393	1,216,905
Cash at bank and in hand		1,792,575	1,058,999	300	3,082
		<b>2,681,109</b>	<b>1,893,570</b>	<b>1,143,693</b>	<b>1,273,256</b>
<b>Creditors</b>					
Amount falling due within one year	17	(2,105,055)	(1,098,439)	(447,084)	(483,876)
<b>Net current assets</b>		<b>576,054</b>	<b>795,131</b>	<b>696,609</b>	<b>789,380</b>
Total assets less current liabilities		<b>1,066,526</b>	<b>1,367,539</b>	<b>1,181,409</b>	<b>1,356,322</b>
Provision	18	(37,363,918)	(34,574,233)	(37,363,918)	(34,574,233)
<b>Net Liabilities excluding pension scheme liability</b>		<b>(36,297,392)</b>	<b>(33,206,694)</b>	<b>(36,182,509)</b>	<b>(33,217,911)</b>
Defined benefit pension scheme liability	23	(92,000)	(302,000)	-	-
<b>Net Liabilities including pension scheme liability</b>		<b>(36,389,392)</b>	<b>(33,508,694)</b>	<b>(36,182,509)</b>	<b>(33,217,911)</b>
<b>Accumulated Funds</b>					
Unrestricted deficit funds	19	(36,336,766)	(33,246,468)	(36,221,883)	(33,257,685)
Pension reserve		(92,000)	(302,000)	-	-
		<b>(36,428,766)</b>	<b>(33,548,468)</b>	<b>(36,221,883)</b>	<b>(33,257,685)</b>
Restricted Funds	20	39,374	39,774	39,374	39,774
<b>Total Funds</b>		<b>(36,389,392)</b>	<b>(33,508,694)</b>	<b>(36,182,509)</b>	<b>(33,217,911)</b>

Approved by the Board of Trustees on 6 January 2009 and signed on its behalf by:

**Councillor Patrick Egan**

The notes on pages 16 to 34 form an integral part of these financial statements.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## Consolidated Cash Flow Statement for the year ended 31 March 2008

	Group 2008	Group 2007 (Restated)
	£	£
Net cash inflow/(outflow) from operating activities	704,038	(906,107)
<b>Returns on investments</b>		
Interest received	59,065	70,648
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(29,527)	(17,952)
<b>Increase/(decrease) in cash</b>	<u>733,576</u>	<u>(853,411)</u>
Cash at 1 April	1,058,999	1,912,410
<b>Cash at 31 March</b>	<u><u>1,792,575</u></u>	<u><u>1,058,999</u></u>

### Note to the consolidated cash flow statement

	Group 2008	Group 2007 (Restated)
	£	£
<b>Reconciliation of net outgoing resources to net cash in flow from operating activities</b>		
Net outgoing resources before other recognised gains	(2,960,698)	(1,762,269)
Depreciation	111,463	116,761
Pension contributions in excess of charge	(130,000)	(110,000)
Interest receivable	(59,065)	(70,648)
Decrease in stocks	53,416	58,775
(Increase)/decrease in debtors	(107,379)	93,412
Increase/(decrease) in creditors	1,006,616	(783,932)
Increase in provision	2,789,685	1,551,794
<b>Net cash inflow/(outflow) from operating activities</b>	<u><u>704,038</u></u>	<u><u>(906,107)</u></u>

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Notes to the Financial Statements for the year ended 31 March 2008

## 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.

### Changes in accounting policy

The financial statements reflect the adoption during the year of FRS17, Retirement Benefits. FRS17 requires any surplus or deficit on the Company's defined benefit scheme to be included in the balance sheet and changes the method of determining the profit or loss charge. The impact of this change in accounting policy is shown in Note 19.

## 2. Accounting policies

### (a) 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.

### (b) Fund accounting and permanent endowment

Under the terms of the Alexandra Park and Palace Act 1985, the freehold and fixed assets of the Trust cannot be permanently disposed of. Under the terms of the Charities Act 1993 and the SORP 2005, these are inalienable assets and may be considered a permanent endowment although capable of being leased.

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 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.

### (c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. The financial statements therefore reflect income due to the Trust 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 the unrestricted funds. A corresponding transfer of the associated restricted income will be made to the unrestricted fund in the year of purchase.

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

### (d) 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

## 2. Accounting policies (continued)

### (d) Resources expended and the allocation of expenditure (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.

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.

### (e) Investments

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

### (f) 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. It has been accepted that the Parliamentary Scheme was necessary before any redevelopment can take place. 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 the park:	-on a straight line basis over 10 years.
Plant & machinery:	-on a straight line basis over 10 years.
Office equipment, furniture and fittings:	-on a 25% reducing balance basis.

### (g) Valuation of stock

Stock consists of purchased goods for resale. Stock is valued at the lower of cost and net realizable value.

### (h) 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.

### (i) Provision

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 2007/2008. 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 in 2005/2006, 2006/2007 nor in 2007/2008 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.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 2. Accounting policies (continued)

### (j) 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 18 to the financial statements.

### (k) 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.

### (l) Pension contributions

The Group operates a defined benefit pension scheme on behalf of certain employees of Alexandra Palace Trading Limited. 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 2008.

The Group adopted accounting standard FRS17 'Retirement Benefits' during the year. The impact of this standard has been reflected throughout the financial statements. Prior period comparatives have been restated where appropriate.

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.

The carrying value of any resulting pension scheme asset is restricted to the extent the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is recognised net of any related deferred tax balance.

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 the 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 includes restricted fund grants of £229,783 (2007: £889,832) received from the Heritage Lottery Grant and £76,855 (2007: £297,085) from the London Borough of Haringey for major works to the park.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 4. Activities for generating funds

	2008	2007
<b>Group</b>	£	£
Income from events	1,550,935	4,161,871
Income from Phoenix public house	162,998	475,856
	<u>1,713,933</u>	<u>4,637,727</u>

### Trust only

Deed of covenant from subsidiary	713,000	660,885
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## 5. Incoming resources from charitable activities

### Group and Trust

Ice rink	108,426	984,246
Community events	47,139	50,898
Leases and concessions	130,355	154,073
	<u>285,920</u>	<u>1,189,217</u>

## 6. Investment income

	2008	2007
<b>Group</b>	£	(Restated) £
Bank interest	43,065	63,648
Net return on pension scheme	16,000	7,000
	<u>59,065</u>	<u>70,648</u>

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 7. Analysis of total resources expended

Group	Direct costs	Support costs	2008 Total	2007 Total
	£	£	£	(Restated) £
<b>Costs of generating fund</b>				
Expenditure of trading subsidiary	1,328,098	-	1,328,098	3,941,448
<b>Charitable expenditure</b>				
Ice Rink	394,514	275,020	669,534	739,425
Community events	114,946	21,308	136,254	126,927
Leases and concessions	185,776	27,272	213,048	61,239
Repairs and maintenance of building/park	1,872,097	527,546	2,399,643	3,291,206
Security of building/park	410,505	375,460	785,965	634,478
	<b>2,977,838</b>	<b>1,226,606</b>	<b>4,204,444</b>	<b>4,853,275</b>
<b>Governance costs</b>				
Wages and salaries	-	17,792	17,792	19,408
Professional fees	33,250	-	33,250	26,940
Audit fee	42,750	-	42,750	46,000
	<b>76,000</b>	<b>17,792</b>	<b>93,792</b>	<b>92,348</b>
<b>Total for Group</b>	<b>4,381,936</b>	<b>1,244,398</b>	<b>5,626,334</b>	<b>8,887,071</b>
<b>Trust Only</b>				
	Direct costs	Support costs	2008 Total	2007 Total
	£	£	£	£
<b>Charitable expenditure</b>				
Ice Rink	394,514	275,020	669,534	739,425
Community events	114,946	21,308	136,254	126,927
Leases and concessions	185,776	27,272	213,048	61,239
Repairs and maintenance of building/park	1,872,097	527,546	2,399,643	3,291,206
Security of building/park	410,505	375,460	785,965	634,478
	<b>2,977,838</b>	<b>1,226,606</b>	<b>4,204,444</b>	<b>4,853,275</b>
<b>Governance Costs</b>				
Wages and salaries	-	17,792	17,792	19,408
Professional fees	30,000	-	30,000	26,940
Audit fee	18,000	-	18,000	20,500
	<b>48,000</b>	<b>17,792</b>	<b>65,792</b>	<b>66,848</b>
<b>Total for Trust</b>	<b>3,025,838</b>	<b>1,244,398</b>	<b>4,270,236</b>	<b>4,920,123</b>



# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 8. Support costs

	2008	2007
	£	£
<b>Group and Trust</b>		
Wages and salaries	686,184	279,999
Overheads	558,214	655,151
	<u>1,244,398</u>	<u>935,150</u>

## 9. Deficit on current year activities

	Group 2008	Group 2007
	£	£
Operating deficit is stated after charging:		
Auditors' remuneration: audit fee	42,750	46,000
Auditors' remuneration: other	3,250	-
Operating lease rentals - land and buildings	35,896	35,896
Operating lease rentals - vehicles	3,585	3,585
Depreciation	111,463	116,761
	<u>111,463</u>	<u>116,761</u>

The trustees received no remuneration from the charity (2007: £Nil) and were not reimbursed for any of their expenses by the charity during the year (2007: £Nil).

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 10. Analysis of costs by activity GROUP

Costs directly allocated to activities	Basis of allocation	Other £	Ice Rink £	Security of building and park £	Community Events £	Leases and Concessions £	Repairs and maintenance £	Governance £	Total 2008 £	Total 2007 (Restated) £
Expenditure of trading subsidiary	Direct	1,328,098	-	-	-	-	-	28,000	1,356,098	3,966,949
Salaries	Direct	-	221,262	410,104	-	138,727	726,459	-	1,496,552	1,532,020
Professional fees	Direct	-	2,598	-	-	4,675	111,818	30,000	149,091	82,319
Parks lottery expenditure	Direct	-	-	-	-	-	307,038	-	307,038	1,201,662
Overheads	Direct	-	168,024	401	114,946	42,374	725,987	-	1,051,732	1,117,319
Audit fees	Direct	-	-	-	-	-	-	18,000	18,000	20,500
Direct costs	Direct	-	2,630	-	-	-	795	-	3,425	31,152
<b>Total direct costs</b>		<b>1,328,098</b>	<b>394,514</b>	<b>410,505</b>	<b>114,946</b>	<b>185,776</b>	<b>1,872,097</b>	<b>76,000</b>	<b>4,381,936</b>	<b>7,951,921</b>
<b>Support costs allocated to activities</b>										
General office and finance support staff	Staff time & area average	-	-	-	-	-	-	17,792	17,792	19,408
Apportioned overhead cost	Staff time & area average	-	172,922	307,395	15,636	23,018	331,229	-	850,200	399,966
Apportioned support and overhead cost	Staff time & area average	-	102,098	68,065	5,672	4,254	196,317	-	376,406	515,776
<b>Total support costs</b>		<b>0</b>	<b>275,020</b>	<b>375,460</b>	<b>21,308</b>	<b>27,272</b>	<b>527,546</b>	<b>17,792</b>	<b>1,244,398</b>	<b>935,150</b>
<b>Total for Group</b>		<b>1,328,098</b>	<b>669,534</b>	<b>785,965</b>	<b>136,254</b>	<b>213,048</b>	<b>2,399,643</b>	<b>93,792</b>	<b>5,626,334</b>	<b>8,887,071</b>

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

## 10. Analysis of costs by activity (continued) TRUST ONLY

Costs directly allocated to activities	Basis of allocation	Ice Rink £	Security of building and park £	Community Events £	Leases and Concessions £	Repairs and maintenance £	Governance £	Total 2008 £	Total 2007 (Restated) £
Interest payable	Direct	-	-	-	-	-	-	-	-
Salaries	Direct	221,262	410,104	-	138,727	726,459	-	1,496,552	1,532,021
Professional fees	Direct	2,598	-	-	4,675	111,818	30,000	149,091	82,319
Parks lottery expenditure	Direct	-	-	-	-	307,038	-	307,038	1,201,662
Overheads	Direct	168,024	401	114,946	42,374	725,987	-	1,051,732	1,117,319
Audit fees	Direct	-	-	-	-	-	18,000	18,000	20,500
Direct costs	Direct	2,630	-	-	-	795	-	3,425	31,152
<b>Total direct costs</b>		<b>394,514</b>	<b>410,505</b>	<b>114,946</b>	<b>185,776</b>	<b>1,872,097</b>	<b>48,000</b>	<b>3,025,838</b>	<b>3,984,973</b>
<b>Support costs allocated to activities</b>									
General office and finance support staff	Staff time & area average	-	-	-	-	-	17,792	17,792	19,408
Apportioned overhead cost	Staff time & area average	172,922	307,395	15,636	23,018	331,229	-	850,200	399,966
Apportioned support and overhead cost	Staff time & area average	102,098	68,065	5,672	4,254	196,317	-	376,406	515,776
<b>Total support costs</b>		<b>275,020</b>	<b>375,460</b>	<b>21,308</b>	<b>27,272</b>	<b>527,546</b>	<b>17,792</b>	<b>1,244,398</b>	<b>935,150</b>
<b>Total for Trust</b>		<b>669,534</b>	<b>785,965</b>	<b>136,254</b>	<b>213,048</b>	<b>2,399,643</b>	<b>65,792</b>	<b>4,270,236</b>	<b>4,920,123</b>

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

## 11. Staff costs

	Group 2008 £	Group 2007 £	Trust 2008 £	Trust 2007 £
Wages and salaries	1,280,165	1,551,775	964,448	627,672
Social security costs	96,061	130,079	67,161	34,607
Pension costs	131,194	125,049	70,291	60,016
Agency staff costs	649,982	943,430	442,852	505,927
	<b>2,157,402</b>	<b>2,750,333</b>	<b>1,544,752</b>	<b>1,228,222</b>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	Group 2008	Group 2007	Trust 2008	Trust 2007
£60,001-£70,000	-	1	-	1

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 2008 Number	Group 2007 Number	Trust 2008 Number	Trust 2007 Number
Ice rink	15 (2)	16 (4)	15 (2)	16 (4)
Repairs and maintenance including park	3 (3)	2 (2)	3 (3)	2 (2)
Community events	-	-	-	-
Cost of generating funds	22 (14)	31 (16)	-	-
Support costs	1 (1)	2 (2)	1 (1)	2 (2)
Management and administration	4 (4)	9 (8)	1 (1)	2 (2)
	<b>45 (24)</b>	<b>60 (32)</b>	<b>20 (7)</b>	<b>22 (10)</b>

## 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

## 13. Tangible fixed assets

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
	£	£	£	
<b>Trust only:</b>				
Cost: At 1 April 2007	197,346	482,497	333,995	1,013,838
Additions	-	610	27,345	27,955
<b>At 31 March 2008</b>	<b>197,346</b>	<b>483,107</b>	<b>361,340</b>	<b>1,041,793</b>
<b>Depreciation:</b> At 1 April 2007	59,204	194,561	193,133	446,898
Charge for the year	19,734	48,311	42,052	110,097
<b>At 31 March 2008</b>	<b>78,938</b>	<b>242,872</b>	<b>235,185</b>	<b>556,995</b>
<b>Net Book Value</b>				
At 31 March 2008	<b>118,408</b>	<b>240,235</b>	<b>126,155</b>	<b>484,798</b>
At 31 March 2007	<b>138,142</b>	<b>287,936</b>	<b>140,862</b>	<b>566,940</b>

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
	£	£	£	
<b>Group</b>				
Cost: At 1 April 2007	197,346	482,497	366,507	1,046,350
Additions	-	610	28,917	29,527
<b>At 31 March 2008</b>	<b>197,346</b>	<b>483,107</b>	<b>395,424</b>	<b>1,075,877</b>
<b>Depreciation:</b> At 1 April 2007	59,204	194,561	220,177	473,942
Charge for the year	19,734	48,311	43,418	111,463
<b>At 31 March 2008</b>	<b>78,938</b>	<b>242,872</b>	<b>263,595</b>	<b>585,405</b>
<b>Net book value</b>				
At 31 March 2008	<b>118,408</b>	<b>240,235</b>	<b>131,829</b>	<b>490,472</b>
At 31 March 2007	<b>138,142</b>	<b>287,936</b>	<b>146,330</b>	<b>572,408</b>

## 14. Fixed asset investments

<b>Trust only:</b>	2008	2007
	£	£
Shares in trading subsidiary at 1 April and 31 March	2	2

# A LEXANDRA PARK AND PALACE CHARITABLE TRUST

## 14. Fixed asset investments (continued)

The Trust owns the entire share capital of its trading subsidiary Alexandra Palace Trading Limited, a company registered in England. 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.

As outlined in the Trustees' Report, during the course of 2007, the license to operate from the Palace held by the Company was terminated, a temporary license was granted to a proposed lessee (the Firoka Group) and the Company's employees were seconded to that lessee. Subsequently, a judicial review of the Charity Commission's decision to make an order to approve the lease resulted in that order being quashed. The temporary license to the proposed lessee was terminated and a new four year license was granted to the Company on 7 January 2008.

Alexandra Palace Trading Limited retained £3,900 of its profit this year with the remainder being gift aided 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:

	2008 £	2007 (Restated) £
Turnover	2,013,933	4,637,728
Interest income	43,065	63,648
	<b>2,056,998</b>	<b>4,701,376</b>
Cost of sales	(1,221,951)	(3,117,237)
Cost of operating expenses	(118,147)	(842,711)
	<b>(1,340,098)</b>	<b>(3,959,948)</b>
Net income to the group	716,900	741,428
Less: Licence fee to the Trust	-	(255,000)
Deed of Covenant/Gift Aid to the Trust	(713,000)	(405,885)
Retained profit	<b>3,900</b>	<b>80,543</b>
Retained profit brought forward as previously reported	11,218	40,675
Prior year adjustment	(302,000)	(544,000)
Retained deficit brought forward restated	(290,782)	(503,325)
Actuarial gain on pension fund	80,000	132,000
Retained deficit carried forward	<b>(206,882)</b>	<b>(290,782)</b>

# A LEXANDRA PARK AND PALACE CHARITABLE TRUST

## 15. Stock

	Group 2008	Group 2007	Trust 2008	Trust 2007
	£	£	£	£
China and cutlery	-	47,593	-	47,593
Food and beverages	69,444	58,716	-	-
Publications and stationery	-	16,551	-	5,676
	<b>69,444</b>	<b>122,860</b>	<b>-</b>	<b>53,269</b>

*not noted*

## 16. Debtors

	Group 2008	Group 2007	Trust 2008	Trust 2007
	£	£	£	£
Trade debtors	697,125	92,828	55,288	-
Other amounts due from subsidiary undertaking	-	-	299,448	264,375
Deed of covenant/gift aid due from subsidiary undertaking	-	-	713,000	405,885
Other debtors	11,571	132,380	10,867	113,620
Prepayments and accrued income	110,394	486,503	64,790	433,025
	<b>819,090</b>	<b>711,711</b>	<b>1,143,393</b>	<b>1,216,905</b>

## 17. Creditors: amount falling due within one year

	Group 2008	Group 2007	Trust 2008	Trust 2007
	£	£	£	£
Trade creditors	422,266	109,894	60,585	-
Other taxes and social security cost	74,670	-	2,254	-
Other creditors	150	330,576	150	330,576
Accruals	367,721	416,529	134,599	159,403
Income in advance	1,013,339	247,543	22,587	-
Haringey Council: Bank Account	226,909	(6,103)	226,909	(6,103)
	<b>2,105,055</b>	<b>1,098,439</b>	<b>447,084</b>	<b>483,876</b>

Income in Advance is payments received for events that will take place in future years. The Trust's bank account is part of Haringey Council's pooled account, and the amount is shown both as an asset and a liability to the Trust as the bank account is owed in its entirety to the Council.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 18. Provision

	Group 2008 £	Group 2007 £	Trust 2008 £	Trust 2007 £
Haringey Council: Indemnification	37,363,918	34,574,233	37,363,918	34,574,233
<b>Reconciliation of movement:</b>				
Balance brought forward	34,574,233	33,022,439	34,574,233	33,022,439
Amount charged to SOFA	444,292	329,466	444,292	329,466
Transfer to bank less VAT debtor	2,345,393	1,222,328	2,345,393	1,222,328
Balance carried forward	37,363,918	34,574,233	37,363,918	34,574,233

### 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: central administration of £Nil (2007: £30,000); entertainment licences of £43,419 (2007: £46,104); public liability insurance £36,303 (2007: £34,574); provision of park patrol service £34,460 (2007: £33,620); legal expense £977 (2007: £1,625); printing and other sundry items of £2,250 (2007: £3,654).

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.

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

	Accumulated Balances £'000	Interest £'000	Total £'000
Indemnification 1991/92 to 1994/95 (1)	5,005	9,881	14,886
Indemnification 1995/96 to 2007/08 (2)	14,228	4,854	19,082
Provision: 1988/99 to 1990/91 (3)	755	2,641	3,396
	19,988	17,376	37,364



# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 18. Provision (continued)

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 2007/08 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 and the increase in working capital 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.

## 19. Accumulated unrestricted funds

	Group 2008	Group 2007 Restated	Trust 2008	Trust 2007
	£	£	£	£
<b>Trust deficit funds:</b>				
Balance brought forward as previously reported	33,246,468	31,350,833	33,257,685	31,391,508
Prior year adjustment - see below	302,000	544,000	-	-
Balance brought forward restated	33,548,468	31,894,833	33,257,685	31,391,508
Deficit in year	2,960,298	1,785,635	2,964,198	1,866,177
Actuarial gain	(80,000)	(132,000)	-	-
Balance carried forward	<u>36,428,766</u>	<u>33,548,468</u>	<u>36,221,883</u>	<u>33,257,685</u>

The above amounts represent the deficit equity of the Trust. The Group figure includes £15,118 (2007:£11,218) of the trading subsidiary retained profit/losses) carried forward.

The prior year adjustment arises due to the adoption of FRS 17 'Retirement Benefits' during the year. The effects of the change in policy are summarised below:

	Group 2008	Group 2007	Trust 2008	Trust 2007
<b>Statement of Financial Activities</b>				
Activities for generating funds	(130,000)	(110,000)	(130,000)	(110,000)
Decrease in net outgoing resources for the financial year	<u>(130,000)</u>	<u>(110,000)</u>	<u>(130,000)</u>	<u>(110,000)</u>

### Balance Sheet

Defined benefit pension scheme liability	92,000	302,000	92,000	302,000
Increase in net liabilities	<u>92,000</u>	<u>302,000</u>	<u>92,000</u>	<u>302,000</u>

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 20. Restricted funds

	Balance 1 April 2007	Incoming Resources	Expenditure & transfers	Balance 31 Mar 2008
	£	£	£	£
Lottery Grant Fund	-	307,037	307,038	-
Environment Agency Grant	1,168	-	-	1,168
Organ Appeal Fund	5,776	-	-	5,776
Theatre Fund	232	-	-	232
BBC Studios Fund	400	(400)	-	-
English Heritage	32,198	-	-	32,198
	<u>39,774</u>	<u>306,637</u>	<u>307,038</u>	<u>39,374</u>

The restricted fund balance at 31 March 2008 are represented by cash at bank and in hand of £39,374  
 The Lottery Grant Fund relates to a grant for the restoration of the park landscape, now completed  
 The Environment Agency Fund is a grant for works to the lake to improve fishing and other uses  
 The Organ Appeal Fund relates to monies raised for restoration of the organ  
 The Theatre Fund and English Heritage Fund are monies raised to restore the stage machinery

## 21. Total funds

	Group 2008	Group 2007 (Restated)	Trust 2008	Trust 2007
	£	£	£	£
Balance brought forward as previously reported	33,206,694	31,334,425	33,217,911	31,375,100
Prior year adjustment	302,000	544,000	-	-
Balance brought forward as restated	<u>33,508,694</u>	<u>31,878,425</u>	<u>33,217,911</u>	<u>31,375,100</u>
Deficit in year	2,880,698	1,630,269	2,964,598	1,842,811
Balance carried forward	<u>36,389,392</u>	<u>33,508,694</u>	<u>36,182,509</u>	<u>33,217,911</u>

## 22. 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 £42,750 (2007: £46,000).

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.

# A LEXANDRA PARK AND PALACE CHARITABLE TRUST

## 23. Pension scheme Trust:

### (a) Defined benefit scheme

The Trust operates a defined benefit pension scheme for the benefit of the 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 2007. The last triennial actuarial valuation was carried out in accordance with Guidelines GN9: Retirement Benefit Schemes - Actuarial reports published by the Institute of Actuaries and the Faculty of Actuaries. The last actuarial 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	7.70%	per annum compound
Rate of investment – bonds	5.70%	per annum compound
Rate of investment – property	5.70%	per annum compound
Rate of investment – cash	4.80%	per annum compound
Rate of pensionable salary increases (excl. increments)	5.10%	per annum compound
Rate of price inflation/pensions increases	3.60%	per annum compound
Discount rate	6.90%	per annum compound

The level of funding as a whole at 31 March 2004 was 69.0%, and the market value of the Fund at the time of the last valuation was £405 million. Following the valuation the actuary certified a phased increase of the contribution rate: 2005/6 19.6%, 2006/7 21.2% and 2007/8 22.9%. The contribution rate is split 10.1% between the past service adjustment to fund the deficit over 20 years and the future service rate of 12.8%. The pension contribution for the year was £70,291 (2007: £60,015). The latest interim valuation as at March 2006 and February 2007 show an improvement in funding to 76% which reflects strong returns from fund investments although these were not prepared in accordance with GN9.

The next triennial valuation took place at the 31 March 2007 with results due in 2008.

### Trading company:

#### (b) Defined benefit scheme

The trading company operates a defined benefit pension scheme for the benefit of 22 scheme members who transferred to the trading company, from the trust on 1 November 1999. There are 7 (2007: 7) scheme members still in the employment of the trading company as at 31 March 2008. The assets of the scheme are held in a separate pool within the Haringey Council pension fund described above. The company has therefore accounted for contributions in accordance with FRS17.

# A LEXANDRA PARK AND PALACE CHARITABLE TRUST

## 23. Pension scheme (continued)

The market value of the Fund at the time of the last valuation was £619 million for the whole of the scheme of which £1.6 million is the share for Alexandra Palace Trading Limited. Alexandra Palace Trading Limited employer's contribution is 16.2% of salary. Alexandra Palace Trading Limited is also paying additional monetary amounts of £119,000 for the year ended 31 March 2007 and £125,000 for the year ended 31 March 2008. The pension contribution for the year was £32,000 (2007: £38,769).

The actuarial valuation described above has been updated at 31 March 2008 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.

The major assumptions used for the actuarial valuation were:

	2008	2007	2006
	%	%	%
Inflation assumption	3.60	3.20	3.10
Rate of increases in pensionable salary (excluding increments)	5.10	4.70	4.60
Rate of increases in pensions in payment	3.60	3.20	3.10
Discount rate	6.90	5.40	4.90

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2008		2007		2006	
	%	£	%	£	%	£
Equities	7.7	1,120,000	7.8	1,255,000	7.4	1,092,000
Bonds	5.7	340,000	4.9	331,000	4.6	274,000
Property	5.7	80,000	5.8	97,000	5.5	72,000
Cash	4.8	62,000	4.9	54,000	4.6	46,000
Total fair value of assets		<u>1,602,000</u>		<u>1,737,000</u>		<u>1,484,000</u>
Present value of scheme liabilities		<u>1,694,000</u>		<u>2,039,000</u>		<u>2,028,000</u>
Net pension liability		<u>(92,000)</u>		<u>(302,000)</u>		<u>(544,000)</u>

# A LEXANDRA PARK AND PALACE CHARITABLE TRUST

## 23. Pension scheme (continued)

### Analysis of amounts charged to Net Outgoing Resources in the Statement of Financial Activities

	2008	2007
	£	£
Current service cost	43,000	56,000
Total operating charge	<u>43,000</u>	<u>56,000</u>
Expected return on pension scheme assets	(127,000)	(108,000)
Interest on pension scheme liabilities	111,000	101,000
Total finance income	<u>(16,000)</u>	<u>(7,000)</u>
Total charge to the Statement of Financial Activities	<u>27,000</u>	<u>49,000</u>

### Analysis of other recognised gains shown in the Statement of Financial Activities

	2008	2007
	£	£
Actual return less expected return on pension scheme assets	(206,000)	(5,000)
Experience gains and losses arising on the scheme liabilities	(67,000)	(1,000)
Changes in financial assumption underlying the present value of the scheme liabilities	353,000	138,000
Actuarial gain	<u>80,000</u>	<u>132,000</u>

### Analysis of movement in the pension scheme liability during the year

	2008	2007
	£	£
Deficit at beginning of the year	(302,000)	(544,000)
Employers contributions	(43,000)	(56,000)
Net return on assets	157,000	159,000
Actuarial gain	16,000	7,000
Deficit at the end of the year	<u>80,000</u>	<u>132,000</u>
	<u>(92,000)</u>	<u>(302,000)</u>

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 23. Pension scheme (continued)

<b>History of Experience Gains and Losses</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Difference between the expected and actual return on assets	(206,000)	(5,000)	194,000	38,000	126,000
Value of assets	1,602,000	1,737,000	1,484,000	1,058,000	1,010,000
<b>Percentage of assets</b>	<b>(12.90)%</b>	<b>(0.30)%</b>	<b>13.0%</b>	<b>3.60%</b>	<b>12.50%</b>
Experience losses on liabilities	(67,000)	(1,000)	(1,000)	(16,000)	(2,000)
Present value of liabilities	1,694,000	2,039,000	2,028,000	1,643,000	1,557,000
<b>Percentage of the present value of liabilities</b>	<b>4.0%</b>	<b>0.0%</b>	<b>(0.0%)</b>	<b>(1.0%)</b>	<b>(0.1%)</b>
Actuarial gains/(losses)	80,000	132,000	(66,000)	(20,000)	26,000
Present value of liabilities	1,694,000	2,039,000	2,028,000	1,643,000	1,557,000
<b>Percentage of the present value of liabilities</b>	<b>4.7%</b>	<b>6.5%</b>	<b>(3.3%)</b>	<b>(1.2%)</b>	<b>1.70%</b>

The scheme is a closed scheme and therefore under the projected unit method the current service cost would be expected to increase as the members of the scheme approach retirement.

## 23. Pension scheme (continued)

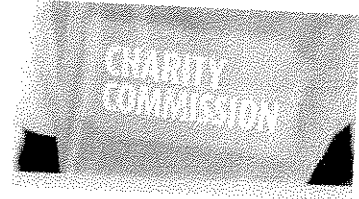
### (c) Stakeholder personal pension scheme

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 £17,903 (2007: £26,264).

## 24. Contingent Liability

The Trustees have been informed that the Firoka Group intends to make a claim against the Trust. The information usually required by FRS 12 is not disclosed on the grounds that it can be expected to seriously prejudice the outcome of this matter. The Trustees have considered the advice of Leading Counsel and are of the opinion that a claim is more likely to fail than succeed and in any event, they intend to resist such claim as may be made.

**Annual Return 2008  
(Online)**



**ALEXANDRA PARK AND PALACE**

**Charity Number: 281991**

**Submission Deadline 31 January 2009**

Some of the information you give in this form will become publicly available on the Register of Charities in accordance with the Charities Act 1993, as amended by the Charities Act 2006. These fields are marked - P

This form shows the information you have entered through the Annual Return 2008 Online.

**This Annual Return is DRAFT and has not been submitted**

**PART A - Charity Information**

**A1 - FINANCIAL YEAR**

This Annual Return should be completed for financial years ending on or after 1<sup>st</sup> January 2008.

Financial year start - P:	01 April 2007
Financial year end - P:	31 March 2008
Next financial year end:	31 March 2009

**A2 - INCOME AND EXPENDITURE**

This shows your charity's income and expenditure for the financial year shown at A1. PLEASE NOTE THESE FIGURES ARE ROUNDED TO THE NEAREST POUND.

Income - P:	£2,665,636
Expenditure - P:	£5,626,334

### A3 - CHARITY CONTACT

The contact details for your charity are printed below.

Your current contact is an: Individual  
Title: MR  
Personal Names: DAVID ANDREW  
Family Name: LOUDFOOT  
Suffix:  
Preferred Name - P:  
Date of Birth: MR DAVID ANDREW LOUDFOOT  
Telephone - P: 04 May 1963  
Mobile: 0208 365 4145  
Your contact details as shown on  
the Register of Charities are - P:  
MR DAVID ANDREW LOUDFOOT  
ALEXANDRA PALACE  
ALEXANDRA PALACE  
LONDON  
N22 7AY

### A4 - EMAIL FOR CHARITY COMMISSION USE

This is an address that will only be used by the Commission for contacting the charity, for example when issuing a password for our online services or for mailing reminders.

Your current email address for Commission use: david.loudfoot@appct.org

### A5 - EMAIL FOR PUBLIC DISPLAY

This is a public address that will be displayed on the Register of Charities.

Your current public email address - P: management@appct.org

### A6 - CHARITY WEBSITE

If the charity has its own website and we hold the address, a hyperlink will be available for the public to access the site from the charity's entry on the Register of Charities.

Your current charity website - P: www.alexandrapalace.com

### A7 & A8 - CURRENT AND NEW INDIVIDUAL TRUSTEES

Printed below is the list of trustees who are individuals that we currently hold for your charity. The information supplied reflects the trustee body when the form is completed.

Please note, the addresses given should be the trustees' home address rather than a work or the charity address. Please ensure that we have a complete set of details for each trustee.



The names of any trustees with an incomplete set of details will not be recorded on our Register of Charities.

We publish only the names of trustee on the Register. We do not make other personal details publicly available. The Commission may email trustees who have given us a personal email address with important updates about trusteeship from time to time. Your charity has told us that their trustees **wish to receive these updates**.

**Trustee 1**

Title:  
Personal Names:  
Family Name:  
Suffix:  
Preferred Name - **P**:  
Date of Birth:  
Address:  
  
Post Code:  
Telephone:  
Email:  
Chair of the Charity - **P**:

MS  
SHEILA  
PEACOCK

T. B. C

**Trustee 2**

Title:  
Personal Names:  
Family Name:  
Suffix:  
Preferred Name - **P**:  
Date of Birth:  
Address:  
  
Post Code:  
Telephone:  
Email:  
Chair of the Charity - **P**:

MR  
PATRICK  
EGAN

T. B. C

**Trustee 3**

Title:  
Personal Names:  
Family Name:  
Suffix:  
Preferred Name - **P**:  
Date of Birth:  
Address:  
  
Post Code:  
Telephone:  
Email:  
Chair of the Charity - **P**:

MR  
ROBERT  
HARE

T. B. C

**Trustee 4**

Title:  
Personal Names:  
Family Name:  
Suffix:  
Preferred Name - P:  
Date of Birth:  
Address:

MR  
JOHN  
OAKES

T. B. C

Post Code:  
Telephone:  
Email:  
Chair of the Charity - P:

**Trustee 5**

Title:  
Personal Names:  
Family Name:  
Suffix:  
Preferred Name - P:  
Date of Birth:  
Address:

MS  
DILEK  
DOGUS

T. B. C

Post Code:  
Telephone:  
Email:  
Chair of the Charity - P:

**Trustee 6**

Title:  
Personal Names:  
Family Name:  
Suffix:  
Preferred Name - P:  
Date of Birth:  
Address:

MR  
ALAN  
STANTON

T. B. C

Post Code:  
Telephone:  
Email:  
Chair of the Charity - P:

**A9 - CORPORATE TRUSTEE**

Your charity has no corporate trustees.

**A10 - AREA OF OPERATION IN ENGLAND AND WALES**

Shown below is the area in England and Wales that we currently hold for your charity - P.

- 1 Throughout Greater London

### A11 - AREA OF OPERATION OUTSIDE ENGLAND AND WALES

Your charity has not specified any countries of operation outside England and Wales.

### A12 - CHARITY ACTIVITIES

Your charity has given us the following brief description of its current activities - P.

The principal activity 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.

### A13 - CHARITY'S MAIN BANK/BUILDING SOCIETY ACCOUNT

Below are the current details we hold about your main bank or building society account. Account details are not available to the public. For security purposes we have not printed the full account number.

Bank Name:	CO-OPERATIVE BANK WOOD GREEN
Sort Code:	08-90-37
Account Number:	*****3200
Bank Account Name:	L B H ALEXANDRA PALACE

### A14 - CHARITY CLASSIFICATION

Printed below are the details we currently hold for your charity.

WHAT your charity sets out to do - P:

<input type="checkbox"/>	101 General Charitable Purposes
<input type="checkbox"/>	102 Education/Training
<input type="checkbox"/>	103 Medical/Health/Sickness
<input type="checkbox"/>	104 Disability
<input type="checkbox"/>	105 Relief of Poverty
<input type="checkbox"/>	106 Overseas aid/Famine relief
<input type="checkbox"/>	107 Accommodation/Housing
<input type="checkbox"/>	108 Religious activities
<input type="checkbox"/>	109 Arts/culture
<input checked="" type="checkbox"/>	110 Sport/recreation

	111 Animals
<input checked="" type="checkbox"/>	112 Environment/Conservation/Heritage
	113 Economic/Community development/Employment
	114 Other charitable purposes

WHO your charity helps - P:

	201 Children/Young people
	202 Elderly/Old People
	203 People with disabilities
	204 People of a particular ethnic or racial origin
	205 Other charities/Voluntary bodies
	206 Other defined groups
<input checked="" type="checkbox"/>	207 General public/Mankind

HOW your charity operates - P:

	301 Makes grants to individuals
	302 Makes grants to organisations
	303 Provides other finance
	304 Provides human resources
<input checked="" type="checkbox"/>	305 Provides buildings/facilities/open space
	306 Provides services
	307 Provides advocacy/advice/information
	308 Sponsors or undertakes research
	309 Acts as umbrella or resource body
	310 Other charitable activities

## DATA PROTECTION

Any information you provide to us will be held securely and in accordance with the rules on data protection. Your personal details will be treated as private and confidential and safeguarded and not disclosed to anyone unconnected with the Charity Commission unless you have consented to its release, or in certain circumstances where:

- we are **legally** obliged to do so;
- disclosure is deemed by the Commission to be **necessary** for the proper discharge of our statutory functions; or
- disclosure is deemed by the Commission to be **necessary** in compliance with our function as regulator of charities; or
- disclosure to a relevant public authority is deemed by the Commission to be both a **necessary** disclosure and subject to an **overriding public interest**.

We will ensure that any disclosure made for this purpose is proportionate, considers your right to privacy and is dealt with fairly and lawfully in accordance with the Data Protection Principles of the Data Protection Act.

The Data Protection Act 1998 regulates the use of 'personal data', which is essentially any information however stored, about identifiable living individuals. As a 'data controller' under the Act, the Charity Commission must comply with its requirements.

## PART B - Financial Information

The information below shows the figures you have provided to the Commission from your charity's accounts.

These answers are based on consolidated accounts.

### B1 - RESOURCES

Incoming resources	Resources expended
B1.1 Voluntary income - P: £ 606,638	B1.7 Costs of generating voluntary income - P: £ 0
B1.1a Legacies - P: £ 0	B1.8 Fundraising trading costs - P: £ 1,328,098
B1.1b Endowments received - P: £ 0	B1.9 Investment management costs - P: £ 0
B1.2 Activities for generating funds - P: £ 1,713,933	B1.10 Costs of charitable activities - P: £ 4,204,444
B1.3 Investment income - P: £ 59,065	B1.10a Grants to institutions - P: £ 0
B1.4 Incoming resources from charitable activities - P: £ 285,920	B1.11 Governance costs - P: £ 93,792
B1.5 Other incoming resources - P: £ 80	B1.12 Other resources expended - P: £ 0
<b>B1.6 Total incoming resources - P: £ 2,665,636</b>	<b>B1.13 Total resources expended - P: £ 5,626,334</b>

### B2 - OTHER RECOGNISED GAINS/LOSSES

B2.1 Revaluations of tangible fixed assets - P: £ 0	B2.3 Gains/losses on investment assets - P: £ 0
B2.2 Actuarial gains/losses on defined benefit pension schemes - P: £ 80,000	

## B3 - ASSETS AND LIABILITIES

B3.1 Total fixed assets - P:	£ 490,472	B3.7 Total fixed assets (at start of year) - P:	£ 572,408
B3.1a Fixed asset investments - P:	£ 0	B3.7a Fixed asset investments (at start of year) - P:	£ 0
B3.2 Total current assets - P:	£ 2,681,109		
B3.2a Current asset investments - P:	£ 0		
B3.2b Cash - P:	£ 1,792,575		
B3.3 Creditors due within one year - P:	£ 2,105,055	B3.8 Endowment funds - P:	£ 0
B3.4 Long-term creditors and provisions - P:	£ 37,363,918	B3.9 Restricted funds - P:	£ 39,374
B3.5 Pension fund assets/(liabilities) - P:	£ -92,000	B3.10 Unrestricted funds - P:	£ -36,428,766
<b>B3.6 Total net assets/(liabilities) - P:</b>	<b>£ -36,389,392</b>	<b>B3.11 Total funds - P:</b>	<b>£ -36,389,392</b>

## B4 - ADDITIONAL INFORMATION

B4.1 Support costs - P:	£ 1,244,398	B4.4 Number of full-time equivalent employees - P:	45
B4.2 Depreciation charge for year - P:	£ 111,463	B4.5 Number of UK volunteers (optional) - P:	
B4.3 Level of reserves - P:	£ 0		

## REPORTING SERIOUS INCIDENTS

Incidents that cause a significant loss of funds or pose serious risks to a charity's beneficiaries, resources or reputation should be reported to the Commission as soon as possible.

If any of the serious incidents listed below have occurred since your last return, you should notify the Commission immediately if you have not already done so.

### SERIOUS INCIDENTS

- Significant fraud or theft or loss of funds.
- Significant sums of money or other property donated to the charity from an unknown or unverified source.
- The charity (including individual staff or trustees or both) has a known or alleged link to a proscribed organisation or to terrorist or other unlawful activities.
- A person disqualified from acting as a trustee has been or is currently acting as a trustee of the charity.
- The charity does not have a policy for safeguarding its vulnerable beneficiaries (e.g. children and young people, people with disabilities and the elderly).
- The charity has no vetting procedure to ensure that a trustee or member of staff is eligible to act in the position he or she is being appointed to.
- Beneficiaries have been or are suspected of being abused or mistreated.
- The charity has been subject to a criminal investigation or an investigation by another regulator or agency; or sanctions have been imposed or concerns raised by another regulator or agency (e.g. the Health and Safety Executive, Ofsted).

When you report a serious incident we will generally ask you for further details. You may not have all of these but please be prepared to provide as much relevant information as possible about the incident. We are mainly concerned about criminal or unlawful activity, or very serious incidents about a charity that may affect its funds, property, beneficiaries or reputation. Some of the incidents listed may not actually be criminal, but do suggest risks of potential criminal activity or other risks which, if they became reality, would cause serious harm to the charity.

### LEGAL OBLIGATION

Trustees must provide information about serious incidents as part of the charity's Annual Return. Failure to do so will be regarded as a breach of legal requirements.

## ADVICE FOR THE TRUSTEES AND MANAGERS OF ALEXANDRA PARK AND PALACE

The following Guidance may be useful for your trustees. To view these publications, please visit our website at [www.charitycommission.gov.uk/publications](http://www.charitycommission.gov.uk/publications). If, after reading the guidance you require assistance or feel there is a matter on which you would benefit from advice, please call Charity Commission Direct on 0845 3000 218.

## DECLARATION

This Annual Return has not been submitted and no Declaration has been made.



**CONTACT DETAILS**

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L69 3BF

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Deloitte LLP  
3 Victoria Square  
Victoria Street  
St Albans  
AL1 3TF

Our Ref:

Date: 6 January 2009

Dear Sirs

**Alexandra Park and Palace Charitable Trust – financial statements for the year ended 31 March 2008**

This representation letter is provided in connection with your audit of the financial statements of Alexandra Park and Palace Charitable Trust and its consolidated financial statements for the year ended 31 March 2008 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of Alexandra Park and Palace Charitable Trust as of 31 March 2008 and of the results of its operations, other recognised gains and losses and its cash flows for the year then ended in accordance with applicable accounting framework and the Charities Act 1993.

We acknowledge as trustees our responsibilities under the Charities Act 1993 for preparing financial statements for the charity and its consolidated financial statements which give a true and fair view and for making accurate representations to you.

We confirm, to the best of our knowledge and belief, the following representations.

1. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the group have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all trustee, management and member meetings, have been made available to you.
2. We acknowledge our responsibilities for the design, implementation and operation of internal control to prevent and detect fraud and error.
3. We have disclosed to you all the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We are not aware of any significant facts relating to any frauds or suspected frauds affecting the charity or group involving:
  - (i) management;
  - (ii) employees who have significant roles in internal control; or
  - (iii) others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

6. We are not aware of any actual or possible instances of non-compliance with laws and regulations, the effects of which should be considered when preparing financial statements.
7. We have considered the uncorrected misstatements and disclosure deficiencies detailed in the appendix to this letter. We believe that no adjustment is required to be made in respect of any of these items as they are individually and in aggregate immaterial having regard to the financial statements taken as a whole.
8. Where required, the value at which assets and liabilities are recorded in the balance sheet is, in the opinion of the trustees, the fair value. We are responsible for the reasonableness of any significant assumptions underlying the valuation, including consideration of whether they appropriately reflect our intent and ability to carry out specific courses of action on behalf of the group. Any significant changes in those values since the balance sheet date have been disclosed to you.
9. We confirm the completeness of the information provided regarding the identification of related parties, and the adequacy of related party disclosures in the financial statements.

We have made enquiries of any key managers or other individuals who are in a position to influence, or who are accountable for the stewardship of the reporting entity and confirm that we have disclosed in the financial statements all transactions relevant to the charity and we are not aware of any other such matters required to be disclosed in the financial statements, whether under FRS8 "Related party disclosures" or other requirements.

10. We have considered all claims against the company and on the basis of legal advice have set them out in the attachment with our estimates of their potential effect. No other claims in connection with litigation have been or are expected to be received.
11. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
12. There have been no events subsequent to 31 March 2008 which require adjustment of or disclosure in the financial statements or notes thereto.
13. We confirm that we are of the opinion that the company is a going concern, that we have disclosed to you all relevant information of which we are aware and which relates to our opinion, and that all relevant facts including those regarding our plans for future actions are disclosed in the financial statements.
14. We confirm that no material fixed assets have been sold or scrapped during the financial year.
15. We confirm that:
  - all retirement benefits and schemes have been identified and properly accounted for;
  - all settlements and curtailments have been identified and properly accounted for;
  - all events which relate to the determination of pension liabilities have been brought to the actuary's attention;
  - the actuarial assumptions underlying the valuation of the scheme liabilities accord with the directors' best estimates of the future events that will affect the cost of retirement benefits and are consistent with our knowledge of the business;
  - the actuary's calculations have been based on complete and up to date member data; and

- the amounts included in the financial statements derived from the work of the actuary are appropriate.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed on behalf of the Board of Trustees

## APPENDIX 1

	Assets	Liabilities	Income Statement
	Dr (Cr)	Dr (Cr)	Dr (Cr)
<b>Trust only</b>			
<b>To release historic bad debt provision</b>			
Dr Bad debt provision	1,140		
Cr Bad debt expense			-1,140
<b>To record a third party liability and recognise related inter-company debtor</b>			
Dr Inter-company debtor	5,289		
Cr Accruals		-5,289	
<b>To record a third party liability for post year end expense</b>			
Dr Prepayment	5,339		
Cr Accruals		-5,339	
<b>To remove a difference within prepayments</b>			
Dr Resources expended			736
Cr Prepayments	-736		
<b>To correct prepayments entry</b>			
Dr Other debtors	18,258		
Cr Prepayments	-10,727		
Cr Resources expended			-7,531
<b>To defer income relating to a post year end event</b>			
Dr Incoming resources			9,769
Cr Deferred income		-9,769	
<b>To spread a rent-free period over the life of the lease</b>			
Dr Accrued income	6,898		
Cr Incoming resources			-6,898
<b>To defer income re: boat hire and May Day funfair to post year end</b>			
Dr Incoming resources			3,347
Cr Deferred income		-3,347	
<b>To release over-accrual</b>			
Dr Accruals		10,315	
Cr Resources expended			-10,315
<b>To accrue for unrecorded liability</b>			
Dr Resources expended			4,044

Cr Accruals		-4,044	
<b>To accrue for unrecorded liabilities</b>			
Dr Resources expended			8,490
Cr Accruals		-8,490	
<b>To accrue income from the ice cream vendor</b>			
Dr Accrued income	5,000		
Cr Incoming resources			-5,000
<b>To defer rental income from Capital Garden to post year end</b>			
Dr Incoming resources			6,875
Cr Deferred income		-6,875	
<b>Consolidated</b>			
<b>To accrue for pre year end purchase invoices</b>			
Dr Resources expended			3,430
Cr Accruals		-3,430	
<b>To accrue for ice rink casual staff</b>			
Dr Resources expended			10,071
Cr Accruals		-10,071	
<b>To release over-accrual for sundry items</b>			
Dr Accruals		16,661	
Cr Resources expended			-16,661
<b>To release double-counted accruals</b>			
Dr Accruals		21,456	
Cr Resources expended			-21,456
<b>To recognise tax charge arising due to timing of pension contributions</b>			
Dr Tax charge			23,800
Cr Corporation tax liability		-23,800	
	30,461	-32,022	1,561

**Letter of Representation – Appendix 1**

**Possible Claim by Firoka**

In August 2008, the Trust received a letter from Lewis Silkin, Firoka's solicitors, in which they indicated that Firoka was withdrawing its interest in the development project. It also intimated Firoka's intention to bring proceedings for damages. Nothing further has been heard from Firoka's solicitors.

The Trust solicitors have taken advice from Leading Counsel as to Firoka's prospects of succeeding in a claim for damages. The opinion was that any Firoka claim was not likely to succeed. . A decision has been taken to await any claim then in context decide what action to take.

Management have concluded that they do not consider a provision needs to be made in the accounts in relation to this threatened claim as it is not probable that a transfer of economic benefits will occur. Additionally it can be contended in support of making no provision that the amount of any such provision would, in the absence of any quantified claim, be impossible to quantify.

However Firoka's notified claim fall within the definition of a contingent liability

*i.e. 'a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control'.*

FRS 12 requires the trustees to disclose the nature of a contingent liability, however, the FRS also states that, in rare circumstances, full disclosure of the nature and financial impact of the contingent liability can be expected seriously to prejudice the position of the entity in a dispute with the other party. In such cases, the FRS permits organisations to limit the disclosure to the general nature of the dispute, together with the fact and reason why, the information has not been disclosed.

Accordingly disclosure of Firoka's threatened claim as a contingent liability has been included in Note 24 to the Financial Statements in the following wording:

“The Trustees have considered the advice of Leading Counsel and are of the opinion that a claim is more likely to fail than succeed and in any event, they intend to resist such claim as may be made'.



**Alexandra Park and Palace  
Charitable Trust  
Report to the Board  
On the 2008 Audit  
December 2008  
Final Report**

# Contents

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## Executive summary

This summary is not intended to be exhaustive but highlights the most significant matters that have come to our attention. It should, therefore, be read in conjunction with the report and the appendices thereto.

### Item 1

#### Situation with Firoka

In 2007, following Charity Commission approval, Alexandra Park and Palace Charitable Trust ("APPCT") entered into a Master Agreement with The Firoka Group ("Firoka") to operate the palace under a 125-year lease. This decision was challenged by a member of the public, and a judicial review in October 2007 declared that the Charity Commission's Order to grant the lease was unlawful. Following an extended period of negotiations Firoka has notified APPCT that it is no longer interested in being involved with the palace.

At 31 March 2008 there was a potential net debtor owed by Firoka to APPCT. Management have determined that this is unlikely to be received without initiating legal action and, as a result, the criteria specified in the SORP for the recognition of income have not been met. We concur with management's conclusion.

At 31 March 2008 there was a net debtor of £90,000 (after doubtful debt provision of £33,000) owed to Alexandra Palace Trading Limited ("APTL"), representing the amount received from Firoka after the year end. We concur with the level of provision made by management.

The Trustees have been informed that Firoka intends to make a claim against the Trust. Management have considered the legal advice received and have concluded that this should be disclosed as a contingent liability.

### Item 2

#### Defined benefit pension liability

APTL operates a defined benefit pension scheme. The assets of the scheme are administered by Haringey Council under the provisions of the Local Government Superannuation Act. In accordance with FRS 17 'Retirement Benefits', APTL is required to account for its share of the underlying assets and liabilities of the scheme. This standard has been adopted for the first time in the current year and as a result the prior year balances have been restated. The deficit on the scheme at 31 March 2008 was £92k (£302k at 31 March 2007).

We used our in-house actuaries to review the assumptions selected by management. The assumptions were within an acceptable range; however we wish to draw the Trustees' attention to the fact that two of the assumptions were at the upper end of this range. Due to the sensitivity of the assumptions, the impact of changing the assumptions used may have a material effect on the financial statements. We understand that the Trustees are satisfied that the assumptions selected are appropriate and we will seek written representations to confirm this. We are content with this approach.

## Executive summary (continued)

### Item 3

#### Provision

At 31 March 2008 the total provision for Haringey Council indemnification was £37.4 million (2007: £34.6 million). The increase on the prior year relates to the ongoing operational deficits of APPCT. Although Haringey Council have provided for this debt in full in their own financial statements, they have not discharged the debt and therefore retain their right to repayment. On this basis management have concluded that it remains appropriate to retain the provision.

We have considered the provision recognition criteria of FRS 12 and concur with management's conclusion.

### Item 4

#### Income recognition

International Standards on Auditing (UK and Ireland) require us to presume that there is an increased risk of misstatement in relation to income recognition. We identified that the risk in APPCT is in relation to the cut off of income. We performed detailed cut off testing on income recorded around the year end and identified a number of errors. An adjustment was proposed totalling £27,333; £8,093 of which remains unadjusted.

### Item 5

#### Cost allocation

In undertaking any activity there may be support costs incurred that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. The SORP states that support cost should be allocated to the relevant activity cost category they support on a reliable basis.

APPCT has allocated support costs on the basis of staff time and average area utilised by the activity. We have reviewed the calculations prepared by management to ensure that they are mechanically accurate and to ensure that the basis of cost allocation does not appear unreasonable. We did not identify any issues in relation to support cost allocation.

## Introduction

We have pleasure in setting out in this document our report to the Board of Alexandra Park and Palace Charitable Trust ("APPCCT") for the year ended 31 March 2008 for discussion at the meeting scheduled for 6 January 2009. This report summarises the principal matters that have arisen from our audit for the year ended 31 March 2008.

### Key audit risks

In addition to further detail on those matters included in the Executive Summary we discuss within Section 1 the results of our work in relation to key audit risks which have been identified as being significant to the 2008 accounts.

### Identified misstatements

Audit materiality was £31,000. We have reported all unadjusted misstatements greater than £1,000.

Identified uncorrected misstatements for the charity-only accounts increase income before tax and net assets by £1,657 and for the consolidated accounts decrease income before tax and net assets by £2,816. Management has concluded that the total impact of the uncorrected misstatements, both individually and in aggregate, is not material in the context of the financial statements taken as a whole. Details of the audit adjustments are included in Appendix 1.

### Accounting and internal control systems

We identified the following significant weaknesses in the financial reporting systems.

- A significant value of physical cash was held at the balance sheet date.
- There is no fixed asset register which can be reconciled to the figures recorded in the general ledger.

Detailed control observations noted are explained in section 2.

### Current market conditions

On 17 December 2007, the Financial Reporting Council released a press notice advising preparers of accounts, members of audit committees and auditors of the need for additional diligence in light of the increased risks to confidence in corporate reporting and governance arising from current credit market conditions. An appendix was attached which sets out areas for consideration for audit committees. Subsequently, the Auditing Practices Board issued a bulletin setting out guidance to auditors on this subject. We confirm that to the extent considered necessary we have taken this into account in the planning and performance of our audit.

### Audit status

We have substantially completed our audit subject to the satisfactory completion of the matter set out below:

- Receipt of signed representation letter; and
- Completion of post balance sheet events review.

We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise on completion of these matters. On satisfactory completion of the outstanding matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the financial statements.

## 1. Key audit risks

The results of our audit work on key audit risks are set out below:

### Key audit risk

#### Background

#### Situation with Firoka

In 2007, following Charity Commission approval, APPCT entered into a Master Agreement with The Firoka Group ("Firoka") to operate the palace under a 125 year lease. This decision was challenged by a member of the public, and a judicial review in October 2007 declared that the Charity Commission's order to grant the lease was unlawful. Following an extended period of negotiations Firoka has now notified APPCT that it is no longer interested in being involved with the palace.

On 9 May 2007, a short-term licence was agreed between APPCT and the Firoka Group in order to facilitate the efficient transfer of the business and staff to the Firoka Group. Following the outcome of the judicial review, this licence was terminated in January 2008. At 31 March 2008 there was a potential debtor owed to APPCT by Firoka relating to recharges for certain elements of the running costs of the palace to Firoka during the licence period. Management has considered the recoverability of this balance and, following extended negotiations with Firoka, has concluded that it would not be recoverable without the initiation of legal action. As a result, they have concluded that it would not be appropriate to recognise this income at this stage and so have removed it from the financial statements.

In addition, there was a net debtor of £90,000 (after doubtful debt provision of £33,000) owed by Firoka in the Alexandra Palace Trading Ltd ("APTL") financial statements, reflecting the amount received from Firoka since the balance sheet date.

The Trustees have been informed that Firoka intends to make a claim against APPCT. The Trustees have obtained legal opinion that a claim is more likely to fail than succeed and in any event, they intend to resist such claims as may be made. Management have reviewed the criteria of FRS 12 and have concluded that the potential claim should be disclosed as a contingent liability.

## 1. Key audit risks (continued)

### Deloitte response

The SORP states that income should only be recognised when the following three conditions have been met:

- (a) entitlement - normally arises when there is control over the rights or other access to the resource, enabling the charity to determine its future application;
- (b) certainty - when it is virtually certain that the incoming resource will be received; and
- (c) measurement - when the monetary value of the incoming resource can be measured with sufficient reliability.

We have reviewed the relevant documentation and agree with management that not all conditions have been met. Therefore we concur with management's view that no income should be recognised. We also concur with the level of provision made by management against the outstanding debtor balance in APTL.

We concur with management's conclusion that the potential claim from Firoka should be disclosed as a contingent liability.

## 1. Key audit risks (continued)

### Key audit risk

#### Background

### Defined benefit pension liability

APTL operates a defined benefit pension scheme for the benefit of 22 scheme members who transferred to the company from 22 November 1999. There are 7 scheme members still in the employment of APTL. The assets of the scheme are administered by Haringey Council under the provisions of the Local Government Superannuation Act.

In accordance with FRS 17 'Retirement Benefits', APTL is required to account for its share of the underlying assets and liabilities of the scheme. This accounting standard has been adopted for the first time in the current year. We issued a qualified audit report on the financial statements in the prior year as APTL did not comply with FRS 17.

At 31 March 2007 the scheme had a deficit of £302k. This deficit had reduced to £92k at 31 March 2008.

### Deloitte response

We have utilised our own in-house actuaries to review the assumptions used in the calculation of the FRS 17 deficit to ensure that they are within a reasonable range and in line with those used by other entities. These assumptions have been selected by management based on advice from the scheme actuary, Hymans Robertson, appointed by Haringey Council. We have included a series of graphs in Appendix 3 which benchmark the assumptions used against a sample of our other clients as at both 31 March 2007 and 31 March 2008.

The assumptions selected by APTL are broadly within the typical range of assumptions that are commonly used; however we wish to draw to the Trustees attention to the fact that two of the key assumptions are at the top end of the acceptable range. These are discount rate and mortality. Selecting appropriate assumptions is not an exact science; however it is important that the Trustees satisfy themselves that the assumptions used are reasonable and appropriate to the specific circumstances of the scheme. Due to the sensitivity of the assumptions, small changes can have a significant effect on the deficit.

We have discussed this with management and they believe that it is appropriate to use assumptions that are consistent with those used by Haringey Council. We will request a specific representation from the Trustees that they have considered these assumptions and believe that they are appropriate.



## 1. Key audit risks (continued)

### Key audit risk

#### Background

#### Provision

At 31 March 2008 the total provision for Haringey Council indemnification was £37.4 million (2007: £34.6 million).

	Accumulated balance	Interest	Total
Indemnification 1991/92 to 1994/95	5,005	9,881	14,886
Indemnification 1995/96 to 2007/08	14,228	4,854	19,082
Provision: 1988/99 to 1990/91	755	2,641	3,396
	19,988	17,376	37,364

The increase on the prior year relates to the ongoing operational deficits of APPCT. No interest charges were levied by Haringey Council in the current year. Although Haringey Council have provided for this debt in full in their own financial statements, they have not discharged the debt and therefore retain their right to repayment. On this basis management have concluded that it remains appropriate to retain the provision.

#### Deloitte response

FRS 12 'Provisions, Contingent liabilities and Contingent assets' sets out three criteria for the recognition of a provision. If these criteria are met, a provision must be made. The criteria are that:

- (a) an entity has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that a transfer of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

We have considered the accounting treatment against these criteria and concur that it is appropriate to retain the provision.

## 1. Key audit risks (continued)

### Key audit risk

#### Background

### Income recognition

International Standards on Auditing (UK and Ireland) require us to presume that there is an increased risk of misstatement in relation to income recognition. We identified that the risk in APPCT is in relation to the cut off of income, in particular rental income.

#### Deloitte response

We performed detailed cut off testing on income recorded around the year end. We identified a number of cut off errors in relation to the rental period 26 March to 24 June 2008. We proposed an adjustment to income totalling £27,333. It can be seen in Appendix 1 that management has adjusted for errors totalling £19,240, leaving unadjusted items totalling £8,093.

### Key audit risk

#### Background

### Cost allocation

In undertaking any activity there may be support costs incurred that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. The SORP states that support cost should be allocated to the relevant activity cost category they support on a reliable basis.

#### Deloitte response

APPCT has allocated support costs on the basis of staff time and average area utilised by the activity. These bases are judgemental, however the SORP does state that the charity should also consider the materiality of the amounts involved and the cost benefit advantages of the approach in that greater accuracy may on occasions only be achievable at a high incremental cost.

We have reviewed the calculations prepared by management to ensure that they are mechanically accurate and to ensure that the basis of cost allocation does not appear unreasonable. We did not identify any issues with the cost allocation.

## 2. Accounting and internal control systems

During the course of our audit we identified a number of control observations, the most significant of which are detailed below.

### Control observations

#### Issue 1 – Cash banking procedures

We identified that APTL had cash at hand totalling £104,625 at the balance sheet date. Holding large amounts of physical cash is likely to increase the risk of misappropriation of funds and may not be covered by the company's insurance policy.

#### Recommendation

We recommend that cash balances should be kept to a minimum and should not exceed a reasonable amount to cover urgent requirements. All cash takings above this threshold should be banked as soon as possible.

#### Management response

This situation arose due to a dispute with our secure cash delivery and collection company, which has now been resolved. The cash in question was being held in safes in a secure cash office with controlled access and the amount was fully covered by our insurance policy. The cash was banked and fully reconciled post year end and cash is now collected by secure carrier for banking each week.

Timeframe: Immediate

Owner: Helen Downie, Head of Finance

## 2. Accounting and internal control systems (continued)

### Issue 2 – Disaster recovery plan

We noted that a formal disaster recovery plan has not been prepared. In the absence of a documented plan the time taken to put in place arrangements to enable continuation of the company's operations in the event of a significant incident would be increased.

### Recommendation

We recommend that a disaster recovery plan should be prepared. All members of the management team should be familiar with this plan and copies should be retained off-site to ensure that they are readily accessible if access to the premises is limited.

### Management response

The Trust will work together with the Company to develop a Disaster Recovery Plan as part of the overall review of our risk management arrangements

Timeframe: In the next 12 months

Owner: David Loudfoot, General Manager APPCT and Rebecca Kane, Managing Director APTL

## 2. Accounting and internal control systems (continued)

### Issue 3 – Accruals procedures

We identified a number of misstatements due to incomplete accruals. Inaccuracies in the accounting data increase the risk of misstatement in the financial statements and reduce the effectiveness of the management information needed to assess future liabilities.

### Recommendation

We recommend that management undertake a detailed review of payments made from the bank after the year end to ensure that the expense is recorded in the correct accounting period.

### Management response

Agreed. Going forward, this review will be performed before finalising the draft accounts

Timeframe: At completion of the 2008/09 financial statements

Owner: Helen Downie, Head of Finance

### Issue 4 – Maintenance of fixed asset register

We noted that the organisation does not have a fixed asset register that can be reconciled to the figures recorded in the general ledger. In the absence of this information, management are not able to ensure that disposals of assets are recorded in the general ledger, and it would be more difficult to identify the misappropriation of assets.

### Recommendation

We recommend that management should create a register of all assets including information on purchase date, cost, location and condition. This register should include sufficient information to enable individual assets to be identified, and assets should be labelled with unique asset numbers where appropriate. The register should be reviewed on a frequent basis to ensure that it is up-to-date. On an annual basis management should check the register against the physical assets on a sample basis.

### Management response

Agreed. A more detailed fixed asset register will be introduced, including the purchase date, cost and location of all new acquisitions. However, the backing documentation for earlier acquisitions is likely to be in archive and thus we will need to consider the cost/benefit of updating the register for these items, particularly as many older items will be fully depreciated.

Timeframe: In the next 12 months

Owner: Helen Downie, Head of Finance

## 2. Accounting and internal control systems (continued)

### Issue 5 – Journals

We noted that journals are not independently authorised and reviewed. Due to the manual nature of journals, there is a greater risk that their use may give rise to fraud or error.

### Recommendation

We recommend that journals should be reviewed and authorised by an individual independent of the preparer or initiator. Where resource constraints do not allow this to be undertaken on every journal, this should be performed at least on a sample basis.

### Management response

Journals were not independently reviewed and authorised in the past due to resource constraints; however, this procedure will be adopted for material transactions going forward.

Timeframe: Immediate

Owner: Helen Downie, Head of Finance

### Issue 6 – Reconciliation of purchase ledger and general ledger

We noted that the purchase ledger did not agree to the general ledger and there was no process in place to enable these to be reconciled.

### Recommendation

We recommend that the purchase ledger should be reconciled to the general ledger on a monthly basis. Any reconciling items should be investigated on a timely basis. The reconciliation should be reviewed for completion by an independent designated officer with this review suitably evidenced.

### Management response

Agreed. Going forward, this reconciliation will be performed and authorised as part of the monthly balance sheet reconciliation process.

Timeframe: In the next 3 months

Owner: Helen Downie, Head of Finance

## 2. Accounting and internal control systems (continued)

Issue 7 – Cost allocations	<p>We noted that there was no formal procedure for review of the cost allocation calculations to ensure that they are reasonable and reflect the substance of the charity's operations. The bases of allocations are judgemental and are focussed on by external commentators and therefore it is important to ensure that they are appropriate.</p>
Recommendation	<p>We recommend that the results of the cost allocation exercise should be reviewed by someone independent of the preparer to ensure that the allocations are reasonable and are consistent with the operations of the group. Evidence of this review should be documented.</p>
Management response	<p>The draft financial statements, including cost allocations, were prepared by an independent firm of accountants, which ensures there is a degree of objectivity in assessing the reasonableness of the cost allocation. However, the new Head of Finance will also review the bases for allocating overhead costs prior to drafting the 2008/09 financial statements to ensure they are still appropriate and take into account any operational changes which have occurred.</p>
	<p>Timeframe: At completion of the 2008/09 financial statements</p> <p>Owner: Helen Downie, Head of Finance</p>
Issue 8 – Cut off of income	<p>We identified a number of cut off errors in relation to income. Inaccuracies in the accounting data increase the risk of misstatement in the financial statements and reduce the effectiveness of the management information needed to assess future cash flows.</p>
Recommendation	<p>We recommend that management perform a review of all income recognised for a set period (for example, one month) either side of the year end to ensure that it is recognised in the correct accounting period.</p>
Management response	<p>Agreed. Going forward, this review will be performed before finalising the draft accounts</p>
	<p>Timeframe: At completion of the 2008/09 financial statements</p> <p>Owner: Helen Downie, Head of Finance</p>

### 3. Matters for communication to those charged with governance

As part of our obligations under International Standards on Auditing (UK & Ireland) and the Companies Act, we are required to report to you on the matters listed below.

#### Independence

We consider that we comply with APB Ethical Standards and that, in our professional judgement, we are independent and the objectivity of the audit engagement partner and audit staff is not compromised.

#### Non-audit services

We are not aware of any inconsistencies between APB Ethical Standards and the company's policy for the supply of non audit services or of any apparent breach of that policy.

An analysis of professional fees earned by Deloitte in the period from 1 April 2007 to 31 March 2008 is included in Appendix 2.

#### International Standards on Auditing (UK and Ireland)

We consider that there are no additional matters in respect of those items highlighted in our publication "Briefing on audit matters" to bring to your attention that have not been raised elsewhere in this report or our audit plan.

#### Written representations

A copy of the representation letter to be signed on behalf of the board has been circulated separately. Non-standard representations have been highlighted.



## 4. Responsibility statement

This report should be read in conjunction with the "Briefing on audit matters" circulated to you previously and sets out those audit matters of governance interest which came to our attention during the audit. Our audit was not designed to identify all matters that may be relevant to the board and this report is not necessarily a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made.

We would be happy to consider a request to perform a more extensive study of these matters and, where compatible with our independence as auditors, assist you with implementing any improvements. As you will appreciate, such an exercise would be a separate engagement to our audit appointment, since the scope and context of our audit work in these areas is necessarily limited.

This report has been prepared for the Board of Trustees, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

**Deloitte LLP**  
Chartered Accountants  
St Albans  
18 December 2008

## Appendix 1: Audit adjustments

### Alexandra Park and Palace Charitable Trust – charity only accounts Uncorrected misstatements

The following uncorrected misstatements were identified during the course of our audit:

	Credit/(charge) to current year income statement £	Increase/(decrease) in net assets £
Errors of fact		
Cut off of income	(8,093)	(8,093)
Net under-accrual of purchase invoices	2,219	2,219
Correction to prepayment	7,531	7,531
<b>Total</b>	<b>1,657</b>	<b>1,657</b>

We will obtain written representations from the Board of Trustees confirming that after considering all uncorrected items for the group, both individually and in aggregate, in the context of the consolidated financial statements taken as a whole, no adjustments are required.

## Appendix I: Audit adjustments (continued)

## Recorded audit adjustments

We report all individually identified recorded audit adjustments in excess of £1,000 and other identified misstatements in aggregate adjusted by management in the table below.

	Notes	Credit/(charge) to current year income statement	Increase/(decrease) in net assets
		£	£
Errors of fact			
Deferral of post year end income		(19,240)	(19,240)
Net over-accrual of purchase invoices		30,926	30,926
Reclassification of grant from Haringey Council	I	-	-
Errors of judgement			
Write off of catering equipment held in stock		(46,984)	(46,984)
<b>Total</b>		<b>(35,298)</b>	<b>(35,298)</b>

I A grant of £300,000 was received from Haringey Council during the year. This was recorded under 'incoming resources from generated funds' however we proposed an adjustment to reclassify this as 'voluntary income'.

## Appendix 1: Audit adjustments (continued)

### Alexandra Palace Trading Limited – company only

#### Uncorrected misstatements

The following uncorrected misstatements were identified during the course of our audit:

Errors of fact	Note	Credit/(charge) to current year income statement £	Increase/(decrease) in net assets £
Net over-accrual of purchase invoices	1	19,327	-
Corporation tax liability		(23,800)	-
<b>Total</b>		<b>(4,473)</b>	<b>-</b>

1 This adjustment is the net of a number of under and over accruals. There would be no overall impact on net assets as the deed of covenant to Alexandra Park and Palace Charitable Trust would increase by a corresponding amount.

#### Recorded audit adjustments

We report all individual identified recorded audit adjustments in excess of £1,000 and other identified misstatements in aggregate adjusted by management in the table below.

Errors of fact		Credit to current year income statement £	Increase in net assets £
Over provision for Firoka debtor balance		43,000	43,000
Reclassification of debtors and creditors	1	-	-
Reclassification of deferred income	2	-	-
<b>Total</b>		<b>43,000</b>	<b>43,000</b>

1 This adjustment for £199,551 was to net creditors off against the related debtor balances

2 This adjustment for £644,656 was to reflect the gross asset and liability for debtors at the balance sheet date relating to 2008/09 income.

## Appendix 2: Analysis of professional fees

The professional fees earned by Deloitte in the period from 1 April 2007 to 31 March 2008 are as follows:

	2008 £	2007 £
Fees payable to the company's auditors for the audit of the company's annual accounts	17,500	20,000
The audit of the company's subsidiary pursuant to legislation	17,500	20,000
<b>Total</b>	<b>35,000</b>	<b>40,000</b>

Note: fee data shown above is net of Value Added Tax.

# Appendix 3: Benchmarking of FRS 17 assumptions

At 31 March 2008

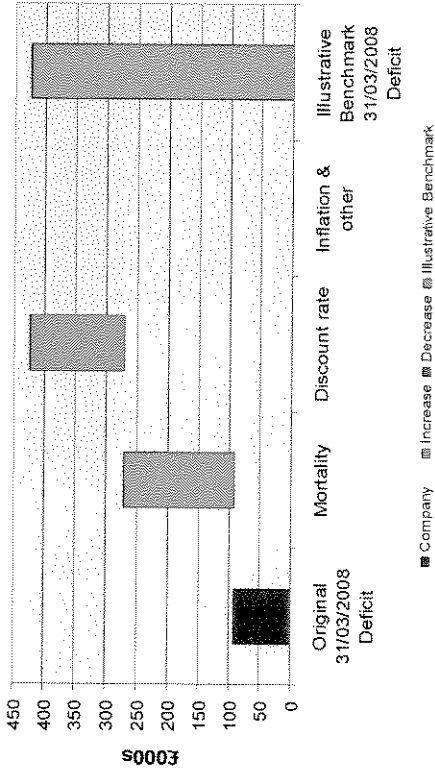


Figure A: Comparison of the deficit recorded using the assumptions selected by management against the deficit which would arise using the Deloitte Illustrative Benchmark assumptions

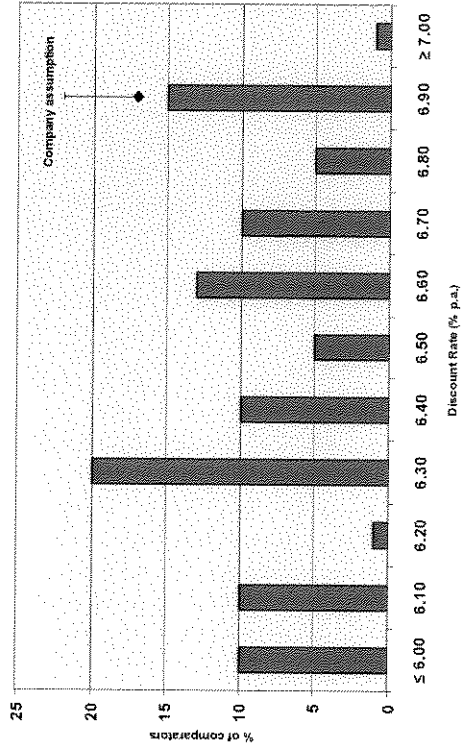


Figure C: Range of discount rate assumptions used by other Deloitte clients with 31 March 2008 year ends

Key Assumptions used	Company	Deloitte Illustrative Benchmark
Discount Rate (% p.a.)	6.9	6.5
Inflation Assumption (% p.a.)	3.6	3.6
Life Expectancy @ 65 (pensioners)	19.6	22.4
Life Expectancy @ 65 (future pensioners)	20.7	24.4

Figure B: Summary of the assumptions selected by management and the Deloitte Illustrative Benchmark assumptions

Appendix 3: Benchmarking of FRS 17 Assumptions (continued)

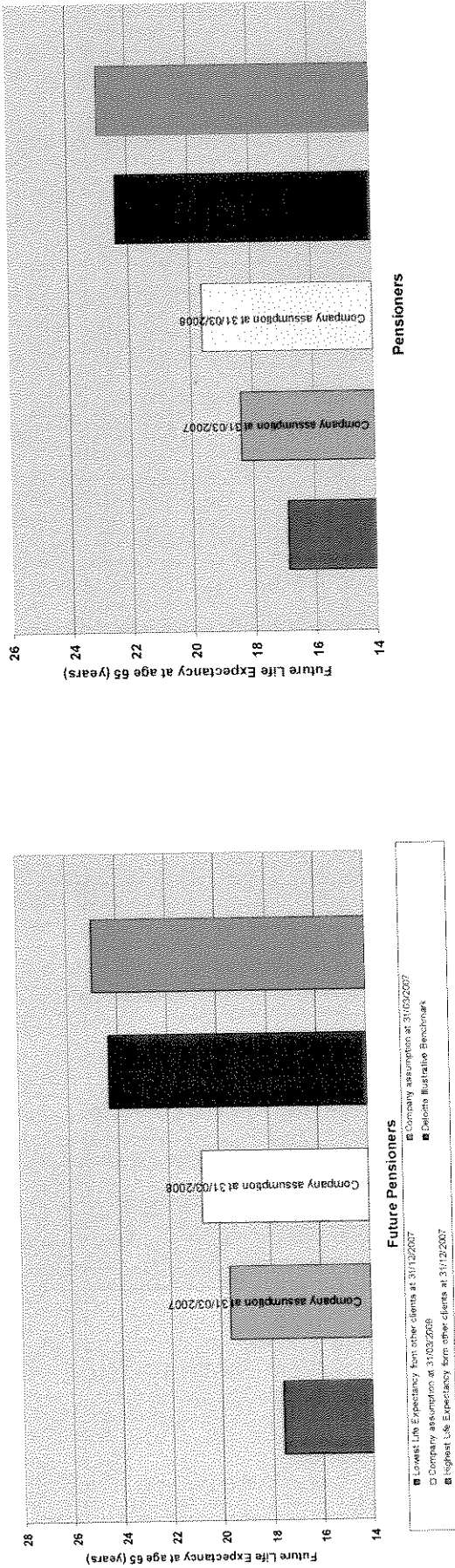


Figure D: Comparison of mortality assumptions for both current and future pensioners selected by management at 31 March 2007 and 31 March 2008 against assumptions used by other Deloitte clients and the Deloitte Illustrative Benchmark

### Appendix 3: Benchmarking of FRS 17 Assumptions (continued)

At 31 March 2007

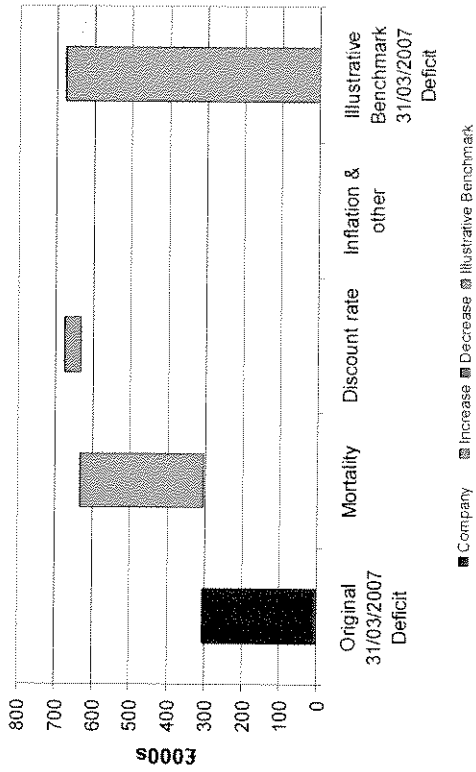


Figure E: Comparison of the deficit recorded using the assumptions selected by management against the deficit which would arise using the Deloitte Illustrative Benchmark assumptions

Key Assumptions used	Company	Deloitte Illustrative Benchmark
Discount Rate (% p.a.)	5.4	5.3
Inflation Assumption (% p.a.)	3.2	3.2
Life Expectancy @ 65 (pensioners)	18.4	22.4
Life Expectancy @ 65 (future pensioners)	19.6	24.4

Figure F: Summary of the assumptions selected by management and the Deloitte Illustrative Benchmark assumptions



# Deloitte.

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**ALEXANDRA PALACE  
BUDGET VERSUS ACTUAL  
2007-08  
£000's**

	Cumulative BUDGET MONTH 12	Cumulative actual MONTH 12	VARIANCE
Concessions/Leases	46	152	106
Community events	0	48	48
ice rink	5	108	103
<b>TOTAL INCOME</b>	<b>51</b>	<b>308</b>	<b>257</b>
Salaries	(840)	(1,079)	(239)
Wages/casuals		0	0
Contracted services	(1,093)	(1,081)	12
<b>PAYROLL &amp; CONTRACTED SERVICES</b>	<b>(1,933)</b>	<b>(2,160)</b>	<b>(227)</b>
<b>COSTS BEFORE OVERHEADS</b>	<b>(1,883)</b>	<b>(1,852)</b>	<b>31</b>
Fixed Overheads	(65)	(501)	(436)
Variable Overheads	(1,211)	(1,286)	(75)
<b>Total</b>	<b>(3,159)</b>	<b>(3,639)</b>	<b>(480)</b>
APTL covenant	0	540	540
<b>TOTAL TRUST OPERATION</b>	<b>(3,159)</b>	<b>(3,099)</b>	<b>60</b>

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**Comments of the London Borough of Haringey Chief Financial Officer:**

**Gerald Almeroth LBH CFO has been supplied a copy of this report and provided the following comment:**

'I am satisfied that in accordance with the regulations the external audit has been carried out and that the accounts reflect the correctly assessed position.'

'The attached accounts of the AP&P Trust are broadly on line with the draft accounts that the Council used to close its accounts in June 2008. However the overall deficit position for the trust in 2007/08 has improved by £133k, from £3.098m to £2.965m, due to final adjustments relating to a prior year FRS17 adjustment in the APTL accounts in order to ensure the accounts are fully compliant with the accounting standard.'

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