



NOTICE OF MEETING

Alexandra Palace and Park Board

TUESDAY, 29TH NOVEMBER, 2011 at 19:30 HRS - THE LONDESBOROUGH ROOM,
ALEXANDRA PALACE WAY, WOOD GREEN, LONDON N22.

Councillors:

Councillor Matt Cooke (Chair), Councillor James Stewart (Vice-Chair), Councillor Bob Hare, Councillor Sheila Peacock, Councillor Nigel Scott, Councillor Ann Waters and Councillor Neil Williams

Non-voting representatives:

Mr C. Marr, Ms V. Paley 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 items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at items 11 & 17 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. QUESTIONS, DEPUTATIONS OR PETITIONS

To consider any questions, deputations or petitions received in accordance with Part 4, Section B29 of the Council's Constitution.

5. MINUTES (PAGES 1 - 8)

- i. To confirm the unrestricted minutes of the Alexandra Palace and Park Board held on 18th October 2011 and 17th November 2011 (**to follow**) as an accurate record of the proceedings.
- ii. To receive the minutes of the Alexandra Park and Palace Advisory Committee held on 8th November 2011, and to consider any recommendations from that Committee (**to follow**).
- iii. To receive and consider the minutes of the Informal Joint Alexandra Palace and Park Consultative Committee, and Alexandra Park and Palace Advisory Committee held on 8th November 2011 (**to follow**).
- iv. To receive the minutes of the Alexandra Palace and Park Consultative Committee held on 8 November 2011 (**to follow**).

6. PARK UPDATE (PAGES 9 - 12)

Report of the Park Manager updating on activities in the Park.

7. FINANCE UPDATE (PAGES 13 - 18)

Report of the Head of Finance – Alexandra Palace advising of the results for the six months to 30th September 2011 against budget and of the forecast to year end.

8. APPROVAL OF 2011 ACCOUNTS (PAGES 19 - 92)

Report of the Head of Finance – Alexandra Palace seeking approval of the Trustees' Report and Consolidated Financial Statements for the year ended 31st March 2011.

9. REGENERATION (PAGES 93 - 100)

Report of the Chief Executive, updating on the work of the Alexandra Park and Palace Regeneration Working Group.

10. GOVERNANCE (PAGES 101 - 106)

Report of the Chief Executive, Alexandra Palace, updating on governance issues.

11. ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

12. FUTURE MEETINGS

Monday 19th December 2011 - **to be confirmed/ cancelled**
Thursday 16th February 2012
Tuesday 3rd April 2012

13. EXCLUSION OF THE PUBLIC AND PRESS

Items 14, 15, 16 & 17 are likely to be subject of a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972; Para 1 – information relating to any individual, Para 2 – Information which is likely to reveal the identity of an individual, Para 3 - information relating to the business or financial affairs of any particular person (including the authority holding that information), and Para 5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

14. FINANCE REPORT (PAGES 107 - 116)

Report of the Head of Finance – Alexandra Palace.

15. ANNUAL PROPERTY REPORT (PAGES 117 - 138)

Report of the Park Manager – Alexandra Park.

16. MINUTES (PAGES 139 - 156)

To confirm the exempt minutes of the Alexandra Palace and Park Board held on 21st June (attached), 21st July (attached), 18th October exempt (**to follow**) & 17th November 2011 (**to follow**) as an accurate record of the proceedings.

17. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

David McNulty
Head of Local Democracy & Member Services
River Park House
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Wood Green
London N22 8HQ

Natalie Cole
Committees Coordinator
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Monday 21st November 2011

**MINUTES OF THE ALEXANDRA PALACE AND PARK BOARD
TUESDAY, 18 OCTOBER 2011**

PRESENT:

* INDICATES ATTENDEE

Councillors *Cooke (Chair), *Hare, *Peacock, *Scott, *Stewart (Vice-Chair),
 *Waters, *Williams

Non-Voting *V. Paley, *C. Marr and *N. Willmott
Representatives:

Observer: *D. Liebeck

Also present:

Mr. D. Wilson (Chief Executive – Alexandra Palace)

Mr. A. Gill (Interim general Manager – Alexandra Palace)

Ms. H. Downie (Head of Finance and Company Secretary – APTL)

Mr. I. Harris (Trust Solicitor)

Ms. J. Parker (LB Haringey Director of Corporate Resources)

Mr. R. Prince (LB Haringey Acting Assistant Head of Legal (Litigation and Corporate))

Mr. M. Hopson (LB Haringey – Head of Regeneration & Development – Alexandra Park & Palace)

Mr. C. Hart (LB Haringey Committees Manager)

Ms. N. Cole (Clerk)

**MINUTE
NO.**

SUBJECT/DECISION

<p>APBO131.</p>	<p>APOLOGIES FOR ABSENCE</p> <p>Councillor Stewart, in his capacity as Vice-Chair, in the absence of the Chair, took the Chair</p> <p style="text-align: center;">COUNCILLOR STEWART IN THE CHAIR</p> <p>Apologies for lateness were received from Cllrs Cooke (Chair) and Williams. <i>Vice Chair Cllr Stewart was in the chair until the Chair arrived.</i></p> <p>Apologies for absence were received from Ms Rebecca Kane (Managing Director – Alexandra Palace Trading Company (APTL)).</p> <p>NOTED</p>
<p>APBO132.</p>	<p>WELCOME OF NEW CHIEF EXECUTIVE BY CHAIR</p> <p>The vice Chair asked that this be moved by the Chair once he arrived at the meeting.</p>
<p>APBO133.</p>	<p>URGENT BUSINESS</p> <p>There were no items of urgent business.</p>

**MINUTES OF THE ALEXANDRA PALACE AND PARK BOARD
TUESDAY, 18 OCTOBER 2011**

	NOTED the late circulation of documents for item 10 – Regeneration Update.
APBO134.	DECLARATIONS OF INTERESTS None.
APBO135.	QUESTIONS, DEPUTATIONS OR PETITIONS : TO CONSIDER ANY QUESTIONS, DEPUTATIONS OR PETITIONS RECEIVED IN ACCORDANCE WITH PART 4, SECTION B29 OF THE COUNCIL'S CONSTITUTION None.
APBO136.	TO NOTE THE APPOINTMENT OF 3 MEMBERS OF THE ALEXANDRA PALACE AND PARK CONSULTATIVE COMMITTEE TO THE BOARD The Committee noted the appointment of Val Paley, Colin Marr and Nigel Willmott as non-voting Consultative Committee representatives to the Board. Cllr Cooke arrived at 19:40 hrs. Cllr Stewart vacated, and Cllr Cooke took the chair. COUNCILLOR COOKE IN THE CHAIR
APBO137.	GOVERNANCE UPDATE The Interim General Manager, Alexandra Palace, Andrew Gill, introduced the Governance Update report (as laid out on pages 1 – 21 of the agenda pack). The Chair thanked members of the Alexandra Park and Palace Advisory and Consultative Committees for their input towards the positive outcome as a way forward for the Committees (paragraph 7.6.3 – 7.6.6). RESOLVED i. That the progress made towards streamlining the committee structure at Alexandra Park & Palace be noted; ii. That the proposed amendment by the Consultative Committee and Statutory Advisory Committee to the Constitution of the Consultative Committee, to allow the membership of the Consultative Committee to decide the Chair of that committee, be agreed; iii. That the following be delegated to the Committee Clerk in consultation with the Chief Executive (Alexandra Park & Palace); a. The precise wording of the amendment to the Constitution b. Obtaining Full Council approval to the amendment to the Constitution iv. That the draft Anti Bribery Policy be adopted; and v. That the draft Whistleblowing Policy be adopted.

**MINUTES OF THE ALEXANDRA PALACE AND PARK BOARD
TUESDAY, 18 OCTOBER 2011**

<p>APBO138.</p>	<p>FINANCE UPDATE</p> <p>The Board received an update on the Charitable Trust's finances as set out in the report (pages 25-29 of the agenda pack), introduced by Helen Downie (Head of Finance, Alexandra Palace). Ways to reduce the £90k funding gap were being considered but the forecasted outturn was still on target for the year and there were a number of risks as highlighted in paragraph 6.7 of the report.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> i. That the results for the five months to 31st August 2011 be noted; ii. That the forecast to remain within the £2.102m budget allocation for the year and the key risks outlined in section 6.7 of the report be noted; and iii. That the removal of Andrew Gill and the appointment of Duncan Wilson to the bank mandate be approved.
<p>APBO139.</p>	<p>UPDATE ON CARPARK CHARGING POLICY</p> <p>Before taking the report the Chair asked that the Board turn its attention to APBO132 and formally welcomed the new Chief Executive Duncan Wilson to his role at Alexandra Palace.</p> <p>The Board received a report updating on the car parking project, introduced by Duncan Wilson, Chief Executive, Alexandra Palace, as laid out on pages 31 – 33 of the agenda pack. The Board briefly discussed the proposals, the main points being:</p> <ul style="list-style-type: none"> • Data on car park usage for all the car parking areas in the Park was being collected and more information would be brought to the next Board meeting, including specific options appraisals. • It was possible that different charging policies would apply in different car parks within the Park, if the decision was made to go ahead with charging. • Board members emphasised the importance of considering the impact of any parking charges such as displacement of cars in residential areas around the Palace where there was already limited car parking. • The Board also recognised that commuters parked their cars in the Palace and would normally have to pay for parking near other train stations. • It was important to have good transport links into the Palace for people visiting for events and not to make parking difficult for people who visited the Palace regularly. <p>The Chair then summarised and it was:</p> <p>RESOLVED that the progress made to date be noted and that the direction of travel of the car park charging project be approved and that further details be provided at the next meeting.</p>

**MINUTES OF THE ALEXANDRA PALACE AND PARK BOARD
TUESDAY, 18 OCTOBER 2011****APBO140. REGENERATION UPDATE**

The Board received the update on the regeneration of Alexandra Palace, introduced by Mark Hopson (Head of Regeneration and Development, Alexandra Palace) as laid out in pages 1 - 5 of the to follow document. The reasons for late ness for the report's circulation had been due to a Regeneration Working Group meeting coinciding with the agenda dispatch timescales. The Board were briefly advised that a draft communications strategy would be prepared in November and a draft business plan in December and Trustees would be consulted on a procurement strategy at an away day on 29th October. The Palace was also running stakeholder meetings once a month.

The Board briefly discussed the proposals, with the following main points raised and responses thereto:

- With regard to clarification of the match funding and how this would happen it was noted that provision had been made within the budget to cover the match funding as part of the English Heritage bid (paragraph 11 of the report). Palace Regeneration staff would meet with English Heritage representatives on Friday 21st October 2011 to discuss the bid and receive advice on the conservation of the Palace in terms of prioritising repair works. Should external funding bids not be successful the Palace would continue with some emergency repair works using the allocated £55k, which was part of the on-going maintenance budget and separate to the capital bid for 2012/13 submitted to the Council.
- The Board recognised that the cost of repairs needed to be closely aligned with the benefits (commercially and in terms of regeneration) and consultations would be about the specific areas of the Palace and Park. A masterplan for an over-arching vision would then be produced with a strategic vision for potential investors.
- That in response to clarification as to possible future uses it was explained that "soft model testing" was where market operators were first consulted about their interests without being formally approached.
- In response to concerns it was reported that most of the regeneration work was led and managed internally by Trust staff, however some expert advice was required. Board members expressed their satisfaction at the background knowledge and experience of representatives of Colliers International who were facilitating the project.

RESOLVED

- i. That the on-going regeneration work for Stage 2 be noted;
- ii. That the submitted funding application to English Heritage be noted; and
- iii. That the on-going budget position for Stage 2 regeneration work be noted and the use of identified Trust savings for the existing budget shortfall for 2011/12 be confirmed.

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<p>APBO141.</p>	<p>CAPITAL WORKS UPDATE AND CAPITAL BID</p> <p>The Board received the update on the progress of the 2011-12 Capital Projects and the proposed 2012-13 Capital Bid to the Council as laid out in pages 35 – 41 of the agenda pack, introduced by Andrew Gill (Interim General Manager, Alexandra Palace).</p> <p>The Board was advised that:</p> <ul style="list-style-type: none"> • Thames Water had contributed towards the cost of repairing the burst pipe in the lower fields of the Park. • In relation to the listed building consent work (in paragraph 6.1.2 of the report) there was now a planning application in progress and that the Alexandra Palace & Park Conservation Area Advisory Committee (CAAC) had doubts about the proposals. The Chief Executive, Alexandra Palace, stated that he was reviewing the proposals and would ensure dialogue with the CAAC. • In response to concerns raised the Board was informed that the aim was to fix dilapidations permanently via capital spending and that any further funding such as from the Heritage Lottery fund would be assessed based on the community benefit of a project. <p>RESOLVED</p> <ol style="list-style-type: none"> i. That the progress on capital works completed during 2011-12 be noted; and ii. That the proposed bid to the LB Haringey for further Capital funding for 2012-13 be endorsed.
<p>APBO142.</p>	<p>BBC 75TH ANNIVERSARY EVENT</p> <p>The Board received the report on the BBC 75th Anniversary event (as laid out in pages 43 – 46 of the agenda pack) introduced by the Chief Executive, Alexandra Palace.</p> <p>Board members thanked the Alexandra Palace Trading Company (APTL) team and BBC officers and the Alexandra Palace Television Group for their work in organising the event.</p> <p>RESOLVED that the progress made to date for the events to celebrate the 75th anniversary (of the first public television broadcast from Alexandra Palace) be noted and the activities planned be supported.</p>
<p>APBO143.</p>	<p>MINUTES</p> <ol style="list-style-type: none"> i. <u>Alexandra Palace and Park Board minutes</u> (Pages 47-62 of agenda pack) <p>RESOLVED that the unrestricted minutes of the Alexandra Palace and Park Board held on 21 June, and 21 July 2011 be confirmed as an</p>

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	<p>accurate record of the proceedings.</p> <p>ii. <u>Informal Joint meeting of the Alexandra Palace and Park Advisory and Consultative Committees</u> (Page 63 – 72)</p> <p>The informal minutes of the informal joint meeting of the Alexandra Palace and Park Advisory and Consultative Committees on 13th September 2011 were noted.</p> <p>iii. <u>Alexandra Park and Palace Advisory Committee</u> (Page 73 – 76)</p> <p>The minutes of the Alexandra Park and Palace Advisory Committee held on 13th September 2011 were noted.</p> <p>The recommendations of the Alexandra Park and Palace Advisory Committee (pages 81-82) were noted.</p> <p>RESOLVED that due to the legal nature of the issues surrounding the Firoka matter the recommendations would be discussed within the private session with as full a response as possible being provided at a future Board meeting.</p> <p>iv. <u>Alexandra Palace and Park Consultative Committee</u> (Page 77 -80)</p> <p>The minutes of the Alexandra Palace and Park Consultative Committee held on 21 July, and 6 September 2011 were noted.</p>
<p>APBO144.</p>	<p>ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT</p> <p>i. <u>Thanks to the Interim General Manager</u></p> <p>The Chair advised the Board that it was the last meeting that Andrew Gill, Interim General Manager would be attending. On behalf of the Board the Chair placed on record his thanks to Andrew for all his efforts and hard work during the past 2 ½ years which had been much appreciated. The Board wished Mr Gill every success in the future.</p> <p>ii. <u>Thanks to the Outgoing Clerk</u></p> <p>The Chair, also advised that it was the last Board meeting of the Clerk to the Board – Clifford Hart, as he was taking on the role of Democratic Services Manager at the LB Haringey. On behalf of the Board the Chair expressed thanks and appreciation for his efforts and support to the Board in the past 7 years, which had been outstanding.</p> <p>iii. <u>Farmers' Market</u></p> <p>A Board Member reported that they had received a complaint from a local resident about the clean up of the area used by the Farmers' Market and asked whether the Market was financially beneficial for the Palace. The Interim General Manager explained that the Trust received a reasonable amount of money, which was in line with figures nationally paid by</p>

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	<p>Farmers' Markets for renting space. The Chief Executive advised that he would report back to the Board about the clean up process after each Market event.</p> <p style="text-align: right;">ACTION: DUNCAN WILSON</p>
<p>APBO145.</p>	<p>EXCLUSION OF THE PUBLIC AND PRESS</p> <p>RESOLVED that the press and public be excluded from the meeting in respect of agenda items 16 – 20 (minute 146 – 150) as they contain exempt information as defined in Section 100a of the Local Government Act 1972; Para 1 – information relating to any individual, Para 2 – Information which is likely to reveal the identity of an individual, Para 3 - information relating to the business or financial affairs of any particular person (including the authority holding that information), and Para 5 – Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</p> <p>The Board adjourned at 20.50hrs and reconvened at 20.55hrs.</p> <p style="text-align: center;">SUMMARY OF EXEMPT/CONFIDENTIAL PROCEEDINGS</p>
<p>APBO146.</p>	<p>FINANCE UPDATE</p> <p>AGREED RECOMMENDATIONS</p>
<p>APBO147.</p>	<p>CONSIDERATION OF OUTCOME OF LB HARINGEY STANDARDS COMMITTEE DETERMINATION HEARING</p> <p>RESOLVED</p> <ol style="list-style-type: none"> i. That following consideration of the report of the Interim General Manager and its legal advisers in respect of seeking a decision from the Board as to whether it wishes to give further consideration to possible proceedings against a former Chair of the Board, it be agreed that no further action be taken in this matter; ii. That the Interim General Manager be instructed to respond to the Council's Monitoring Officer, informing him of resolution (i) above; iii. That the Trustees' principal focus is securing the future regeneration of the building, and its senior staff and Trustee time and financial resources must be directed at pursuing that goal, however; iv. That this Board notes, accepts and endorses the findings of the Standards Determination Hearing of 30 and 31 March 2010 in respect of the conduct of Councillor Adje in his capacity as former Chair of the Alexandra Palace and Park Board; v. that in so accepting the findings of the Standards Determination Hearing of 30 and 31 March 2010, having given careful consideration to the minutes of the Determination Hearing Panel, the Board records its own independent view that the conduct and behaviour of Councillor Adje fell very far short of the standard of conduct expected of a Chair and Trustee of the Alexandra Palace and Park Board, and that it be noted that following these actions and

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	<p>as a result of an exhaustive review process, clear and proper governance principles have now been adopted by the Alexandra Palace and Park Board to prevent such actions occurring in the future;</p> <p>vi. that to further transparency and in the public interest, in respect of the exempt classification of the report considered, the Chief Executive Alexandra Palace be delegated authority, in conjunction with the Chair of the Board, and subject to any legal clarification, to consider publishing the exempt report either in a full or redacted public form, and also consider whether the minutes of the proceedings on this item also be made available in either a full or redacted public form; and</p> <p>vii. that in respect of the formal resolutions of the Alexandra Park and Palace Statutory Advisory Committee of 13 September 2011 and an appropriate response from the Board, the Chair be delegated authority in conjunction with the Chief Executive of Alexandra Palace to respond on behalf of the Board.</p>
APBO148.	<p>MINUTES</p> <p>Item not considered due to insufficient time available.</p>
APBO149.	<p>EXEMPT ACTION TAKEN UNDER DELEGATED AUTHORITY BY THE CHAIR</p> <p>None.</p>
APBO150.	<p>ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT</p> <p>None.</p> <p>The meeting ended at 22.30hrs.</p>

COUNCILLOR MATT COOKE
Chair

Alexandra Palace & Park Board

on 29 November 2011

Report Title: **Park Update**

Report of: **Mark Evison, Park Manager, Alexandra Palace Charitable Trust**


1. Purpose

1.1 To advise the Board of the latest position regarding park issues and to consider a proposal to install a new sewer pipe across the park.

2. Recommendations

2.1 That the Board notes the content of the report

2.2 That the Board considers the proposal from the *Building Schools for the Future* team relating to a new sewer pipe across Newland Field and grants permission for the work subject to an agreed method statement and full indemnity

Report Authorised by: **Duncan Wilson, Chief Executive**.....

Contact Officer: **Mark Evison, Park Manager, Alexandra Palace & Park,
Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 2121**

3. Executive Summary

3.1 The Park Management Plan is currently being updated and members of the consultative and advisory committees have been asked to provide input as appropriate

3.2 Phase 1 of the cricket club improvement works will start imminently and should be completed in the New Year. A new proposal to install a sewer pipe from the clubhouse to Newland Field has been submitted for consideration.

3.3 Conservation volunteers have carried out monthly tasks in the Park and these are summarised in the report

3.4 The customer survey was reopened after the poor original response. The response this time was much better and the feed back was generally good.

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 N/A

5. Local Government (Access to Information) Act 1985

5.1 N/A

6. Park Management Plan

- 6.1 The Park Management Plan is under review as part of the annual cycle for the Green Flag Award application, the deadline for which is January 2012. Members of the advisory and consultative committees were encouraged to consult their groups and associations about the current and future management of the Park and then feedback to the Park Manager.
- 6.2 This is an important time to input into the plan as it will contribute to the regeneration project.
- 6.3 A summary of the current park management plan is available on the park's pages of the website, www.alexandrapalace.com

7. Cricket club and grounds

- 7.1 The improvements to the drainage of the cricket ground (phase 1) should be underway in late November. Practical completion is due in the New Year.
- 7.2 The Board will recall the works involve installing a new drainage system to the football pitches to enable the facility to be sub-let to Heartlands High School.
- 7.3 The project will also entail alterations to the boundary ditch and connections across the park to main drains. This kind of work inevitably leaves muddy scars across grassed areas, but the Council's contractor has a twelve-month maintenance period once the works are complete.
- 7.4 An additional request was received from the *Building Schools for the Future (BSF)* team on 13 November in relation to disposal of foul water from the club house. The current septic tank is not adequate for the future use and the out-flow could contaminate the new drainage system. BSF has requested permission to connect the clubhouse to the main foul sewer system.
- 7.5 An outline description has been submitted that shows the pipe-run from the club house in a southerly direction to Newlands Road, further details have been sought. There are risks to the existing land-drains and trees on Newland Field and an expectation that at least part of the new foul pipe work will be maintained by the Trust once it is completed. The benefits are that mains drainage will reduce the potential for contamination.
- 7.6 It is recommended that a 'second opinion' is obtained as the Trust has no expertise in this type of civil engineering. The BSF team will be requested to cover the cost of this second opinion which will be added to the other professional fees they are already required to fund.
- 7.7 The project has a proposed second phase to install an all-weather practice area. Some proposals have been made previously and the Board noted in May 2011 that BSF will carry out further consultation with local residents and undertake appropriate wildlife and habitat surveys before requesting formal permission. A habitat survey has been carried out and submitted to the Park Manager.
- 7.8 The Board will be advised once further, more detailed proposals have been received.

8. Nature Conservation

- 8.1 52 volunteers completed 107 volunteer workdays for BTCV at Alexandra Palace in ten monthly sessions between January and October 2011. Their activities are summarised in the table below:

January & February	Cleared areas of the cricket scrub to maintain the open areas we had created previously and clear the footpath and removed saplings from a strip of scrubby grassland to regenerate it as a wildflower meadow.
March	Clearing of overgrowth from the remains of the old Lido foundations which can now be seen from the footpath alongside the reservoir.
April & May	Work on fencing enclosing the pond in the conservation area which has been routinely vandalised and also widened the nearby footbridge.
Summer months	Five stag-beetle loggeries were constructed in and around the old Blandford Hall woodland area and two <i>habitat towers</i> for insects were constructed against the old wall close to the Conservation Hut at the Bedford Road entrance.
October	Conservation pond: clearing sedge and cutting back the bankside vegetation to open up the view of the pond from the footpath.

9. Friends of Alexandra Park

- 9.1 The Friends of the Park are a successful and active group. They have their own website promoting the park which attracts around 600 hits per month. This details their activities and other events taking place in the park. The address for the website is www.friendsofalexandrapark.org

- 9.2 They also co-ordinate a varied programme of activities throughout the year to attract visitors and promote the wildlife and heritage of the park. Topics include history, fungi, birds, trees and bats. Each of their ten walks attracts around 30-40 participants.

- 9.3 Volunteers from the Friends group have also staffed the park information centre every Sunday since July. Park visitors can drop in and find out about the park, activities and even ask directions. Over 300 visitors attended over the summer period.

10. Park Customer Survey

- 10.1 Members will recall that there was a very low response to the customer survey organised by the grounds maintenance contractor, John O'Conner Ltd. The survey was reopened and this time there were 65 respondents. The "top answer" to the nine questions about the quality of maintenance was either Good or Very Good. Individual comments and responses have not yet been fully analysed, but any specific problems will get an appropriate response, in due course.

11. Recommendations

- 11.1 That the Board notes the content of this report.
- 11.2 That the Board considers the proposal from the *Building Schools for the Future* team relating to a new sewer pipe across Newland Field and grants permission for the work subject to an agreed method statement and full indemnity.

12. Legal Implications

- 12.1 The Council's Acting Head of Legal Services has no comments on this report.
- 12.2 The Trust Solicitor has been sent a copy of this report.

13. Financial Implications

- 13.1 The LBH Chief Financial Officer notes the contents of this report.
- 13.2 The works on the cricket clubhouse and grounds is being funded by the Council's *Building Schools for the Future* programme. The other activities outlined are funded from the existing Park budget

14. Use of Appendices/Tables/Photographs

- 14.1 N/A

Report Title: **FINANCE UPDATE**

Report of: **Helen Downie, Head of Finance, Alexandra Palace & Park**

1. Purpose

1.1 To advise the Board of the results for the six months to 30th September 2011 against budget and of the forecast to year end.

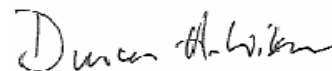
2. Recommendations

2.1 The Board is asked to note the results for the six months to 30th September 2011 against budget.

2.2 The Board is asked to note that the Trust is still forecasting to remain within the £2.102m budget allocation for the year.

2.3 The trust to approach the Council requesting that the savings found in 2011/12 can be redirected to the regeneration programme support and also essential works that will support the future regeneration activity.

Report Authorised by: **Duncan Wilson, Chief Executive**



Contact Officer: Helen Downie, Head of Finance, Alexandra Palace & Park, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 0208 365 4310.

3. Executive Summary

3.1 The results for the Trust for period ended 30th September 2011 are tabulated against budget at Appendix 1.

3.2 Unrestricted income is £14k above budget and unrestricted expenditure is £15k below budget. The net unrestricted deficit is £1.214m, which is £29k below budget.

3.3 The Trust is forecasting to outturn within the £2.102m budget allocation, with a view to any savings and/or additional income redirected towards Regeneration.

3.4 The key risks impacting the Trust's financial resources are outlined in Section 6.7 to this report.

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 N/A

5. Local Government (Access to Information) Act 1985

5.1 No specific background papers were used in compiling this report.

6. Results for the period to 30th September 2011

6.1 The results for the period to 30th September 2011 are presented at Appendix 1. Unrestricted income is £14k above budget and unrestricted expenditure is £15k below budget. The net unrestricted deficit is £1.214m, which is £29k below budget.

6.2 Income is £14k above budget overall. Community events income is £8k above budget due to additional income from Mannings for rental and utilities recharges. Lease income is £5.6k above budget due to £5k additional income from Arquiva for the Trust's share of profits relating to one of the new services on the mast, in line with the contract. The Trust is still in negotiations with Arquiva regarding other outstanding commission.

6.3 Salaries are £8k below budget due to reduced administration costs. Contracted services are £10k below budget due to an underspend on security and PPM (Planned Preventative Maintenance). This is offset by a £58k overspend on reactive repairs (see 6.5 below).

6.4 Fixed overheads are £2k below budget due to an underspend in admin recharges from the Council.

6.5 Variable overheads are £5k overspent overall with the main variances being:

Category	(Over)/Underspend	Explanation
Repairs and maintenance	(£58k)	Increasing demands on this budget from non cyclical maintenance works e.g. emergency lighting, lifts and boilers; partly offset by £10k underspend in fixed costs
Legal fees	£13k	Largely due to timing; this budget is not expected to be underspent by year end although every effort is being made to reduce expenditure in this area
Path, road and lighting repairs	£23k	Expenditure limited to essential works
Training	£2k	No staff training carried out in current year
Utilities and telephones	£6k	Lower consumption and lower call charges in new telephone contract.
Other	£9k	Various smaller underspends
Net position	(£5k)	

- 6.6 The Regeneration budget has been re-phased to reflect the likely timing of expenditure.
- 6.7 The forecast deficit for the year remains unchanged at £2.102m. However, the trustees are advised of the key risks against this forecast as follows:
- The past six months have seen an acceleration of maintenance issues affecting key services within the Palace, such as lighting, boilers and lifts. As previously reported, most of the Palace's key services are now well beyond their design life and require significant investment. APTL's business is dependent on such key services remaining operational and a major systems failure would result in significant expenditure being incurred to keep the building compliant and the business operational.
 - The Trust's budget assumes a contribution from APTL of £562k. Whilst the outlook for the company in 2011/12 remains positive, APTL is a profit centre, not a cost centre, and profit levels can never be guaranteed, particularly in the current volatile economic environment. There is more detail on the trading company's financial position in the exempt Finance Update report to this meeting.
 - As previously reported, our forecasts for utility costs are very much at risk from increased usage due to harsh winter conditions. This would have the greatest impact on the contribution from the Trading Company, which absorbs most of the cost.
 - Any contingency in the Trust's budget has now been allocated to the Regeneration Project and there are no surplus funds to deal with emergency road repairs, for example.

8. Legal and Financial Comments

- 8.1 The Trust solicitor has no comment on this report
- 8.2 The LBH Acting Head of Legal Services has no comments on this report
- 8.3 The London Borough of Haringey Chief Finance Officer notes the financial position. It is noted that any savings made are to be earmarked for regeneration activity, subject to Council approval.

9. Equalities Implications

- 9.1 There are no perceived equalities implications

10. Use of Appendices / Tables / Photographs

- 10.1 Appendix I – Results for the period to 30th September 2011

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Appendix 1

ALEXANDRA PALACE AND PARK CHARITABLE TRUST

ACTUAL VERSUS BUDGET FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2011

	TOTAL TRUST FUNDS		Total	UNRESTRICTED		Variance %	Annual Budget
	Unrestricted	Restricted/ Designated		Actuals	Variance		
	£	£	£	£	£		£
Concessions/Leases	166,321	0	166,321	166,321	5,617	3%	337,920
Community Events	32,716	0	32,716	32,716	7,700	31%	29,096
Sundry Sales	256	0	256	256	256	0%	150
Service Charges	524	0	524	524	524	0%	12,000
Restricted grant income	0	68,341	68,341	0	0	0%	
TOTAL INCOME	199,817	68,341	268,158	199,817	14,097	8%	379,166
EXPENDITURE							
Salaries	157,224	0	157,224	157,224	8,360	5%	366,598
Contracted Services	523,346	0	523,346	523,346	10,005	2%	1,020,284
TOTAL PRIME COSTS	680,570	0	680,570	680,570	18,365	3%	1,386,882
Fixed overheads	163,455	0	163,455	163,455	2,342	1%	331,592
Variable overheads	548,670	46,325	594,995	548,670	(5,193)	-1%	1,166,289
TRUST BEFORE GOVERNANCE COSTS	(1,192,878)	22,016	(1,170,862)	(1,192,878)	29,611	-2%	(2,505,597)
Regeneration project	20,809	0	20,809	20,809	(809)	0%	158,607
TOTAL TRUST OPERATION	(1,213,687)	22,016	(1,191,671)	(1,213,687)	28,802	1%	(2,664,204)
Contribution from trading							562,000
Net funding requirement							(2,102,204)

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Report Title: **Approval of the Trust Financial Statements for the year ended 31st March 2011**

Report of: **Helen Downie, Head of Finance, Alexandra Palace & Park**

1. Purpose

1.1 To obtain the Board's approval of the Trustees' Report and Consolidated Financial Statements for the year ended 31st March 2011.

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.

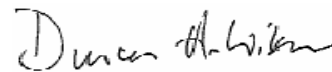
2.2 The Board formally considers whether it is appropriate to prepare the consolidated accounts on a going concern basis.

2.3 The Board approves the Trustees Report and Consolidated Financial Statements for 2010/11 and nominates the Chair to sign them on behalf of the Trust for submission to the Charities Commission.

2.4 The Board notes the content of the report provided by Deloitte on the audit of the consolidated financial statements for the year ended 31st March 2011

2.5 The Board re-appoints Deloitte as auditors to Alexandra Park and Palace Charitable Trust for the financial year 2011/12

Report Authorised by: **Duncan Wilson, Chief Executive**



Contact Officer: Helen Downie, Head of Finance, Alexandra Palace & Park, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 0208 365 4310.

3. Executive Summary

3.1 The audit of the Trust and its wholly owned trading subsidiary for the financial year ended 31st March 2011 is now complete and an unqualified audit opinion has been given. The Trustees' Report and Consolidated Financial Statements are attached as Appendix 1 to this report.

3.2 Prior to the signing of the accounts, the Board is asked to consider and approve the letter of representations to the auditors in relation to the accounts for the year ended 31st March 2011. This is included as Appendix 2 to this report.

3.3 When approving the Trustees' Report and Financial Statements, the trustees should formally consider whether the Trust is able to continue as a going concern for at least twelve months from the date of signing the accounts.

3.4 Deloitte have produced a report to the Board on their findings relating to the audit of the accounts of the Trust and Trading Company and this is attached as Appendix 3 to this report.

3.5 The Board is also asked to formally re-appoint Deloitte as auditors to the Trust for the financial year ended 31st March 2012.

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 N/A

5. Local Government (Access to Information) Act 1985

5.1 No specific background papers were used in compiling this report.

6. Trustees' Report and Consolidated Financial Statements for the year ended 31st March 2011

6.1 The draft results for the 2010/11 financial year were presented to the Board at their meeting of 21st June 2011. The net unrestricted deficit reported at that meeting was £2.33m. There have been no changes to that figure arising from the audit of the Trust or the trading company accounts. A draft Trustees' Report was also presented to that meeting and the trustees were invited to submit any suggested changes to the Head of Finance. No comments on the content of the report have been received from the trustees.

6.2 It was intended to submit the accounts to the Board for approval at the meeting of 21st July 2011 and the accounts were included in the papers for that meeting. Unfortunately, due to time constraints, the Board was unable to consider the accounts at that meeting. The Board's attention is drawn to three minor changes which have been made to the accounts since they were last presented:

- Following the implementation of International Financial Reporting Standards and the Council's subsequent decision to consolidate the accounts of the Trust into its Group accounts, a note has been added to page 10 of the Trustees' Report to explain this development. There is no other impact on the Trust's accounts
- Following the settlement with the ice rink contractor in October 2011, which constitutes an adjusting post balance sheet event for the purpose

of the accounts, the figures for fixed asset additions and accruals have been adjusted

- Income from Alexandra Palace Trading Limited has been re-categorised as 'Investment income' in the Trust's individual SOFA and the notes updated accordingly

6.3 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 Trustees' Report and Financial Statements.

6.3 The auditors' report to the Board is attached at Appendix 3. The auditors have issued an unqualified audit opinion on the accounts.

6.4 The Board should note that the Directors' Report and Financial Statements of APTL for the year ended 31st March 2011 were approved by the Directors of the trading company at their meeting of 15th July 2011. In approving the accounts, the Board duly considered whether the trading company is able to continue as a going concern for a period of at least twelve months from the date of signing the accounts. On the basis of evidence provided at the meeting, the Directors concluded that it was appropriate to sign the accounts on a going concern basis.

6.5 In approving the consolidated accounts, the trustees are also required to consider whether the Trust is able to continue to trade as a going concern for at least twelve months from the date of signing the accounts. The trustees should consider that the Council is obliged to provide ongoing financial support to the Trust under statute and that a revenue budget of £2.102m and capital budget of £500,000 have been allocated by the Council for the financial year 2011/12. The Council's current policy is to ensure that funds are provided to maintain the Trust's bank balance at a pre-agreed level, thus financing the working capital of the Trust. On this basis, it would be reasonable to conclude that the Trust is able to continue as a going concern for at least 12 months from the date of signing the accounts. On page 6 of their report, Deloitte confirm that they concur with management's conclusion in this regard.

6.6 The provision of external audit services to the Trust and trading company was put out to tender in 2009/10 and Deloitte successfully retained the audit. 2011/12 will be their third year of audit following the re-tender.

7. Legal and Financial Comments

7.1 The Trust solicitor's comments have been taken into consideration when compiling this report

7.2 The Council's Acting Head of Legal Services has no comments on this report

7.3 The London Borough of Haringey Chief Finance Officer notes the content of this report

8. Equalities Implications

8.1 There are no perceived equalities implications

9. Use of Appendices / Tables / Photographs

9.1 Appendix I – Trustees' Report and Consolidated Financial Statements for the year ended 31st March 2011

9.2 Appendix 2 – Letter of representations relating to the audit for the year ended 31st March 2011

9.3 Appendix 3A and 3B – Report of the Auditors

Charity No. 281991

**Alexandra Park and Palace
Charitable Trust**

**Trustees Annual Report and Consolidated
Financial Statements**

31 March 2011

Alexandra Park and Palace Charitable Trust

Report and financial statements 2011

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Alexandra Park and Palace Charitable Trust

Trustees' Annual Report and consolidated financial statements 2011

Reference and administrative information

Trustees

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

Bankers

Royal Bank of Scotland Plc
280 Bishopsgate
London
EC2M 4RB

Solicitors

Howard Kennedy
19 Cavendish Square
London, W1A 2AW

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report

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 2011, prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) and applicable UK accounting standards.

Trustees

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing Document

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.

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.

In 2010, the trustees adopted the NCVO Code of Good Governance as the cornerstone of its system of governance. The code is augmented by a suite of documents which comprise the Trustee Handbook.

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

The Governing Body and Appointment of Trustees

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.

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.

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 2011 they were:

Mrs Val Paley
Mr Mike Tarpey
Mr Nigel Willmott

The Chair of the Statutory Advisory Committee also formally attends the Board meetings in an observer capacity. For the year ended 31 March 2011 it was Mr David Liebeck.

The London Borough of Haringey has been advised by Leading Counsel that the Trust 'is a function of the Council' as defined in Section 101 of the Local Government Act 1972. The Trust is therefore subject to the full range of local government legislation by virtue of this advice in addition to the specific charity legislation.

Trustee Induction and Training

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, the Trustee Handbook, together with key reports, minutes of previous meetings, budgets and audited accounts for the previous three financial years. Further training is considered on an individual basis.

Organisational Management

The Alexandra Park & Palace Board ("the Board") meets as charity trustees to consider matters of policy, strategy and objectives. The charity trustees hold a set programme of meetings each year. Other special meetings may be called from time to time. During the year ended 31 March 2011 the Board held 6 ordinary meetings together with 3 special meetings.

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

Organisational Management (continued)

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

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

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

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

The day to day organisation and management of the charity is delegated to the Interim General Manager, Andrew Gill.

The Statutory Advisory Committee

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

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

The Consultative Committee

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

The charity has a wholly owned non-charitable trading subsidiary, Alexandra Palace Trading Ltd (APTL) whose objectives, activities and performance are described below.

Risk Management

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

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

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

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

Risk Management (continued)

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

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

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

Governance and Regeneration

The charity took significant steps towards improving its governance arrangements during the year. The Board adopted the NCVO Code of Good Governance and set up a Resources Working Group to advise the Board on financial and resourcing matters. The Board also resolved to appoint Independent Advisors with specific skills, experience and expertise to assist the trustees with both the Regeneration Project and the overall governance of the charity.

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

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

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

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

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

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

Governance and Regeneration (continued)

On 9th May 2011, the Board agreed to adopt a strategic concept of 'Leisure and Entertainment' for Alexandra Palace with 'live music' as its core use, which will underpin master planning for the site. Leisure and entertainment in general and live music in particular are deeply rooted within the heritage of Alexandra Palace; classical concerts go back to the 1870's and seminal rock concerts were staged in the 1960's. 'Sport and Active Leisure', which already takes place at the ice rink and within the park, has also been identified as a potential complementary use under the overall 'Leisure and Entertainment' banner. The Victorian theatre and the former BBC studios – so significant to the history of the Palace as the birthplace of television – will also be part of its future, although detailed plans for their use will emerge at a later date.

Volunteers

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

Charitable Objects

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

Activities

In shaping the Trust's objectives and planning its activities for the year, the trustees have considered the Charity Commission's guidance on public benefit. The Trust's core areas of activity include:

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

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

Achievements for the year

In February 2010, £2.3m was secured in loan funding from London Borough of Haringey to refurbish the ageing ice rink, a much loved local sporting facility which was facing chronic risk of failure due to the age of the equipment and build up of frost beneath the ice. The project lasted nine months and involved the complete replacement of the ice pad and chiller equipment, installation of new lighting and a low emissivity ceiling and the refurbishment of the foyer and changing facilities. The ice rink was re-launched at a gala event on 21 January 2011 and is already becoming renowned amongst professionals as having the best ice in the UK. The new chiller equipment and low emissivity ceiling have greatly improved energy efficiency, contributing towards an improved carbon footprint for the site.

The 79 hectares of parkland continue to be a strong public attraction for both formal and informal recreation purposes. The park was awarded a Green Flag in 2010 for the third year running and achieved Green Heritage Award status for the first time. The Springwatch Wild Day Out was delivered in June 2010 in partnership with BBC Learning, the Natural History Museum and the London Borough of Haringey. Over 8,000 people visited this free event, with 400 people taking part in nature-based events, helping to identify nearly 700 species.

In pursuance of its basic objects, the charity continued to provide a number of permanent facilities including a boating lake, children's play area, animal enclosures and cycle routes. Through its leaseholders, the park also offers a pitch and putt golf course, cricket club, garden centre, two café outlets and a soft play facility for young children. The charity continued to work with other community and voluntary organisations to deliver low cost, high quality events, including a fortnightly farmers' market, children's funfair, circus, charity events and wildlife walks.

The Trust secured £500,000 funding from London Borough of Haringey for 2010/11, with a further £500,000 secured for 2011/12, to address key areas of buildings dilapidations. A five year capital programme has been developed and a number of capital projects have been completed in the year including:

- Structural survey of the theatre and treatment of dry rot;
- Refurbishment of Palm Court Suite rooms;
- Detailed survey and works to prevent further deterioration of the subterranean structure of the Palace;
- Detailed survey and works to address weather damage to the external structure of the Palace;
- Installation of 'The Hub', a new reception desk in Palm Court; and
- Refurbishment of Palm Court steps.

The Trust achieved improvements in sustainability and value for money during the year. A new Integrated Facilities Management Contract was tendered through the OJEU process and awarded to Europa Services Limited in November 2010. The new contract provides 24/7 site security together with planned, reactive and non-cyclical maintenance. A Carbon Trust survey was completed and steps have been taken to improve the monitoring of energy consumption. A number of 'quick wins' to reduce energy consumption have also been implemented. Returns for 2010/11 using the TEAM independent monitoring tool showed that Alexandra Palace used 10.02% less gas compared with 2009/10.

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

Achievements for the year (continued)

Alexandra Palace Trading Limited held 200 events in 2010/11, ranging from concerts and live sporting events to weddings, exhibitions and banquets. The company's focus on live music increased bookings and led to over 40,000 people visiting the venue to enjoy their favourite artists, including LCD Soundsystem and Vampire Weekend. The PDC World Darts Championships continued to grow in atmosphere following the introduction of the 'fan village' in the Great Hall. The Palace also hosted royalty when Prince Harry visited the semi finals.

Following a brand audit and the creation of a new logo, Alexandra Palace has reclaimed the historic title of 'Alexandra Palace, The People's Palace'. Internal signage has undergone a transformation, particularly event signage, with the new identity being consistently applied across both the Trust and APTL. A suite of branded stationery and sales materials has been created to ensure professionalism, consistency in communications and that staff are well equipped to represent and sell this wonderful venue and increase our profile within the industry, preparing the ground for the regeneration of the site.

Other information

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.

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.

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

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

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

Other information (continued)

On 12 January 2010, the Board formally resolved to abandon its previous strategy of pursuing holistic development of the site via a single developer. Since that date, the Board has formally adopted a new Mission and Vision as outlined in this report. The Regeneration Working Group, established in 2009/10, continues to oversee the design, formulation and adoption of a sustainable regeneration strategy for Alexandra Park & Palace in order to secure the assets for future generations.

FINANCIAL REVIEW

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

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

The results of Alexandra Palace Trading Limited are shown in Note 14 of the accounts. 2010/11 was an exceptionally tough year for the Trading Company as the ice rink was undergoing refurbishment for nine months of the year, removing this important revenue stream without a commensurate reduction in overheads. Furthermore, the events and pub industry were still feeling the effects of the global recession, increasing competition and squeezing profit margins. Nonetheless, APTL secured 200 events during the year and delivered a small gift aid payment to the Trust to offset its operating deficit for the year.

The Trust's running costs are calculated at £2.7 million and include substantial expenditure on repairs to the building and equipment, maintenance of the building and park and security. Total income generated of £0.848 million results in an overall funding shortfall of £1.9 million. This shortfall is met by the London Borough of Haringey.

In addition there is a cumulative sum of £42.9 million representing cumulative operating deficits of £25.5 million and associated accumulated interest charges of £17.4 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.

Following the introduction of International Financial Reporting Standards, the Council has reviewed its relationship with the Trust and reached the conclusion that the nature of the relationship between the Council and the Trust is a Group relationship. As a result, the

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

consolidated accounts of the Council now include the Trust. This decision does not reflect any change to the Trust's governance arrangements.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Future Plans

The trustees are firmly committed to the regeneration of Alexandra Palace and Park to safeguard these important and historic assets for future generations. Master planning is the next step along the way to achieve this. The aim of Master planning is to create a blueprint for the future of the site as a Leisure and Entertainment destination, providing live music as its core activity.

While the project to regenerate Alexandra Palace continues, the trustees intend to utilise the charity's resources to ensure that the delivery of its charitable activities continues and are expanded, wherever possible. Key areas of buildings dilapidations will be addressed using the £500,000 capital grant from the Council, including the first stage of the project to replace the fire alarm system.

The trustees have also resolved to appoint a Chief Executive for the Trust as part of a staged approach to streamlining the Trust and its operation.

The Board of Alexandra Palace Trading Limited approved a three year strategic plan for the company in February 2011. The Company will continue to focus on its live strategy, which has

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report (continued)

brought in a calendar of live music events for the coming year and secured Holland Heineken House for the Olympic Games in 2012. The Company is also expanding its portfolio of live sporting events, securing The Masters snooker tournament for January 2012. The Company will continue to build on the success of the re-launched ice rink facility and re-branded 'Bar & Kitchen' pub, with targeted marketing campaigns and special promotions to increase footfall in these areas.

Related Parties

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.

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.

The other relevant body with whom the Trust has direct links is Haringey Council as corporate trustee. The registered address of the Council is Civic Centre, High Road, Wood Green, London N22 8LE.

Auditor

The Board of Alexandra Park and Palace Charitable Trust has resolved to re-appoint Deloitte LLP as auditor to the Trust for the financial year ended 31 March 2012.

This report was approved and authorised for issue by the Trust on 29 November 2011 and signed on its behalf by:

Councillor Matt Cooke
Chair of the Board of Trustees

29 November 2011

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

We have audited the financial statements of Alexandra Park and Palace Charitable Trust for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, the Trust Statement of Financial Activities, the Consolidated and Trust Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2011, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993 and the Alexandra Park and Palace (Public Purposes) Act 1900.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

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

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

2011

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Alexandra Park and Palace Charitable Trust

Consolidated statement of financial activities Year ended 31 March 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	225	461,980	462,205	332,602
Activities for generating funds	4	4,746,649	-	4,746,649	5,323,348
Incoming resources from charitable activities	5	210,439	-	210,439	238,281
Investment income	6	1,894	-	1,894	3,013
Other incoming resources		4,129	-	4,129	535
Total incoming resources		<u>4,963,336</u>	<u>461,980</u>	<u>5,425,316</u>	<u>5,897,779</u>
Resources expended:					
Cost of generating funds					
Fundraising Trading cost of goods sold and other costs		4,572,005	-	4,572,005	4,757,433
Charitable activities		2,650,628	1,621	2,652,249	2,994,714
Governance costs		123,257	-	123,257	177,775
Total resources expended	7, 10	<u>7,345,890</u>	<u>1,621</u>	<u>7,347,511</u>	<u>7,929,922</u>
Net outgoing resources before other recognised losses and transfers					
Transfers	23	(2,382,554)	460,359	(1,922,195)	(2,032,143)
Actuarial profit/(loss) on pension scheme	27	461,980	(461,980)	-	-
		654,000	-	654,000	(669,000)
Net movement in funds		<u>(1,266,574)</u>	<u>(1,621)</u>	<u>(1,268,195)</u>	<u>(2,701,143)</u>
Opening deficit fund balance 1 April		(41,419,600)	10,597	(41,409,003)	(38,707,860)
Closing deficit fund balance	24	<u>(42,686,174)</u>	<u>8,976</u>	<u>(42,677,198)</u>	<u>(41,409,003)</u>

The notes on pages 19 to 41 form an integral part of these financial statements. All of the above amounts are derived from continuing activities.

Alexandra Park and Palace Charitable Trust

Trust statement of financial activities Year ended 31 March 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	225	461,980	462,205	332,603
Investment income	6	172,150	-	172,150	549,928
Incoming resources from charitable activities					
	5	210,439	-	210,439	238,281
Other incoming resources		4,129	-	4,129	535
Total incoming resources		<u>386,943</u>	<u>461,980</u>	<u>848,923</u>	<u>1,121,347</u>
Resources expended:					
Charitable activities					
		2,650,628	1,621	2,652,249	2,994,714
Governance costs		96,072	-	96,072	158,775
Total resources expended	7, 10	<u>2,746,700</u>	<u>1,621</u>	<u>2,748,321</u>	<u>3,153,489</u>
Net outgoing resources before transfers					
		(2,359,757)	460,359	(1,899,398)	(2,032,142)
Transfers	23	461,980	(461,980)	-	-
Net movement in funds		<u>(1,897,777)</u>	<u>(1,621)</u>	<u>(1,899,398)</u>	<u>(2,032,142)</u>
Opening deficit fund balance 1 April					
		(40,236,064)	10,597	(40,225,467)	(38,193,325)
Closing deficit fund balance	24	<u>(42,133,841)</u>	<u>8,976</u>	<u>(42,124,865)</u>	<u>(40,225,467)</u>

The notes on pages 19 to 41 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 31 March 2011

	Notes	Group 2011 £	Group 2010 £	Trust 2011 £	Trust 2010 £
Fixed assets					
Tangible assets	13	3,137,593	622,990	3,122,805	618,229
Investments	14	-	-	2	2
		<u>3,137,593</u>	<u>622,990</u>	<u>3,122,807</u>	<u>618,231</u>
Current assets					
Stocks	15	96,543	100,327	-	-
Debtors: due within one year	16	1,217,351	879,839	204,968	1,101,093
Debtors: due after more than one year	17	15,000	-	294,831	-
Cash at bank and in hand		998,904	943,643	90,348	67,040
		<u>2,327,798</u>	<u>1,923,809</u>	<u>590,147</u>	<u>1,168,133</u>
Creditors					
Amount falling due within one year	18	(2,637,167)	(1,655,030)	(901,802)	(689,058)
Net current (liabilities)/assets					
		<u>(309,369)</u>	<u>268,779</u>	<u>(311,655)</u>	<u>479,075</u>
Total assets less current liabilities		2,828,224	891,769	2,811,152	1,097,306
Creditors: Amounts falling due after more than one year	19	(2,290,865)	-	(2,070,460)	-
Provisions for liabilities	21	(42,865,557)	(41,322,772)	(42,865,557)	(41,322,772)
Net liabilities excluding pension scheme liability					
		<u>(42,328,198)</u>	<u>(40,431,003)</u>	<u>(42,124,865)</u>	<u>(40,225,466)</u>
Defined benefit pension scheme liability	27	(349,000)	(978,000)	-	-
Net liabilities including pension scheme liability					
		<u>(42,677,198)</u>	<u>(41,409,003)</u>	<u>(42,124,865)</u>	<u>(40,225,466)</u>
Accumulated deficit					
Unrestricted deficit funds		(42,987,134)	(40,441,600)	(42,783,801)	(40,236,063)
Designated Capital Fund		649,960	-	649,960	-
Pension reserve		(349,000)	(978,000)	-	-
	22	<u>(42,686,174)</u>	<u>(41,419,600)</u>	<u>(42,133,841)</u>	<u>(40,236,063)</u>
Restricted Funds	23	8,976	10,597	8,976	10,597
Total deficit					
	24	<u>(42,677,198)</u>	<u>(41,409,003)</u>	<u>(42,124,865)</u>	<u>(40,225,466)</u>

The financial statements of Alexandra Park and Palace Charitable Trust, registered number 281991 were approved by the Trustees on 29 November 2011.

Signed on behalf of the Board of Trustees

Councillor Matt Cooke

The notes on pages 19 to 41 form an integral part of these financial statements.

Alexandra Park and Palace Charitable Trust

Consolidated cash flow statement
Year ended 31 March 2011

	Group 2011 £	Group 2010 £
Net cash inflow/(outflow) from operating activities	<u>632,216</u>	<u>(897)</u>
Returns on investments		
Interest received	1,894	3,013
Capital expenditure		
Fixed asset additions	<u>(2,682,127)</u>	<u>(313,028)</u>
Cash outflow before financing	<u>(2,048,017)</u>	<u>(310,912)</u>
Financing	<u>2,103,278</u>	<u>-</u>
Increase/(Decrease) in cash	55,261	(310,912)
Cash at 1 April	<u>943,643</u>	<u>1,254,555</u>
Cash at 31 March	<u><u>998,904</u></u>	<u><u>943,643</u></u>

Note to the consolidated cash flow statement
Year ended 31 March 2011

	Group 2011 £	Group 2010 £
Reconciliation of net outgoing resources to net cash inflow/(outflow) from operating activities		
Net outgoing resources before other recognised losses and transfers	(1,922,195)	(2,032,143)
Depreciation	167,524	119,865
Charges in excess of/(less than) pension contributions	25,000	(90,000)
Interest receivable	(1,894)	(3,013)
Decrease/(increase) in stocks	3,784	(28,661)
(Increase)/decrease in debtors	(352,513)	102,233
Increase/(decrease) in creditors	1,169,725	(274,301)
Increase in provisions	<u>1,542,785</u>	<u>2,205,123</u>
Net cash inflow/(outflow) from operating activities	<u><u>632,216</u></u>	<u><u>(897)</u></u>

Alexandra Park and Palace Charitable Trust

Notes to the accounts Year ended 31 March 2011

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.

The trustees have a reasonable expectation that they have adequate resources to continue activities for the foreseeable future, as stated within their annual report (see page 10). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies

Basis of consolidation

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

Fund accounting and permanent endowment

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

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

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

Incoming resources

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

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

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

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

2. Accounting policies (continued)

Resources expended and the allocation of expenditure

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

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

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

Investments

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

Valuation of fixed assets

The freehold and fixed assets of the Trust include the Grade II listed Victorian Palace building and its contents, including the Willis organ, and the 79 hectares of parkland. Under the terms of the Alexandra Park and Palace Act 1985, the freehold and fixed assets of the Trust cannot be disposed of.

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

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

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

Valuation of stock

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

Alexandra Park and Palace Charitable Trust**Notes to the accounts (continued)**
Year ended 31 March 2011**2. Accounting policies (continued)****Bank account**

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

Provisions for liabilities

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 2010/2011. Haringey Council may also be entitled to indemnification for the years 1988/89 to 1990/91, and this amount has also been provided for in the accounts.

Both of these amounts include interest charged for the outstanding revenue deficits at the Council's Loan Pool Rate, up to 2004/05. No interest was charged between 2005/2006 and 2010/2011 as the Council has now written off the debt in its accounts. However, as disclosed in the London Borough of Haringey accounts, the Council has not discharged this debt on the basis that it will still collect should the Trust be in a position in the future to fully or partially repay. On this basis the trustees have continued to carry the liability in the Trust's accounts.

Related party transactions

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

Leased assets

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

Pension contributions

The Group operates a defined benefit pension scheme on behalf of certain employees of Alexandra Palace Trading Limited ('APTL'). The scheme is administered by Haringey Council, although the pension funds relating to the APTL employees are held in a separately managed pool within the overall Haringey scheme. The deficit on the scheme is included within the balance sheet at 31 March 2011.

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

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

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

2. Accounting policies (continued)

Pension contributions (continued)

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

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

3. Voluntary income

Voluntary income represents unrestricted and restricted donations to the Trust and includes a £441,022 (2010: £311,542) restricted grant from London Borough of Haringey for priority works to the building.

4. Activities for generating funds

	2011 £	2010 £
Group only		
Income from trading activities	4,746,649	5,323,348
	<u>4,746,649</u>	<u>5,323,348</u>

5. Incoming resources from charitable activities

	2011 £	2010 £
Group and Trust		
Community events	32,554	68,803
Leases and concessions	177,885	169,478
	<u>210,439</u>	<u>238,281</u>

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

6. Investment income

	2011 £	2010 £
Group		
Bank interest	1,894	3,013
Trust only		
Gift aid payment from subsidiary	72,150	399,928
Licence fee	100,000	150,000
	<u>172,150</u>	<u>549,928</u>

The ice rink was closed for refurbishment between May 2010 and January 2011. The Trust invested £2.3m to replace the ice pad, purchase new chiller equipment and refurbish the changing rooms, toilets and reception area. Whilst the refurbishment was critical to sustain this important facility for the future, it had a significant impact on the profit of the trading company, as evidenced by the reduced gift aid payment for the year. The reduction in the licence fee reflects the fact that the trading company was unable to trade in the ice rink and ice rink café for nine months of the financial year.

7. Analysis of total resources expended

Group

	Direct costs £	Support costs £	2011 Total £	2010 Total £
Costs of generating funds				
Expenditure of trading subsidiary	4,572,005	-	4,572,005	4,757,433
Charitable expenditure				
Community events	6,671	1,564	8,235	153,944
Leases and concessions	-	12,589	12,589	12,218
Park and Palace running costs	1,682,371	253,220	1,935,591	1,954,673
Security of building/park	449,345	246,489	695,834	873,879
	<u>2,138,387</u>	<u>513,862</u>	<u>2,652,249</u>	<u>2,994,714</u>
Governance costs				
Wages and salaries	-	32,641	32,641	37,838
Professional fees	-	40,000	40,000	110,437
Audit fees	50,616	-	50,616	29,500
	<u>50,616</u>	<u>72,641</u>	<u>123,257</u>	<u>177,775</u>
Total for Group	<u>6,761,008</u>	<u>586,503</u>	<u>7,347,511</u>	<u>7,929,922</u>

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued)
Year ended 31 March 2011

7. Analysis of total resources expended (continued)

Trust Only

	Direct costs £	Support costs £	2011 Total £	2010 Total £
Charitable expenditure				
Community events	6,671	1,564	8,235	153,944
Leases and concessions	-	12,589	12,589	12,218
Park and Palace running costs	1,682,371	253,220	1,935,591	1,954,673
Security of building/park	449,345	246,489	695,834	873,879
	<u>2,138,387</u>	<u>513,862</u>	<u>2,652,249</u>	<u>2,994,714</u>
Governance Costs				
Wages and salaries	-	32,641	32,641	37,838
Professional fees	-	40,000	40,000	105,937
Audit fees	23,431	-	23,431	15,000
	<u>23,431</u>	<u>72,641</u>	<u>96,072</u>	<u>158,775</u>
Total for Trust	<u><u>2,161,818</u></u>	<u><u>586,503</u></u>	<u><u>2,748,321</u></u>	<u><u>3,153,489</u></u>

8. Support costs

	2011 £	2010 £
Group and Trust		
Wages and salaries	215,080	252,257
Overheads	371,423	264,745
	<u>586,503</u>	<u>517,002</u>

Alexandra Park and Palace Charitable Trust**Notes to the accounts (continued)**
Year ended 31 March 2011**9. Net outgoing resources**

Net outgoing resources is stated after charging:

	Group 2011 £	Group 2010 £
Operating deficit is stated after charging:		
Auditor's remuneration: audit fee	29,661	29,500
Auditor's remuneration: taxation	3,000	2,250
Operating lease rentals - land and buildings	26,922	26,922
Operating lease rentals - plant & machinery	14,849	8,650
Depreciation	<u>167,525</u>	<u>119,865</u>

The trustees received no remuneration from the charity (2010: £Nil) and were not reimbursed for any of their expenses by the charity during the year (2010: £Nil).

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

10. Analysis of costs by activity Group

Costs directly allocated to activities	Basis of allocation	Cost of generating funds £	Security of building and park £	Community events £	Leases and concessions £	Park & Palace running costs £	Governance £	Total 2011 £	Total 2010 £
Expenditure of trading subsidiary	Direct	4,572,005	-	-	-	-	-	4,572,005	4,757,433
Salaries	Direct	-	449,345	-	-	653,848	-	1,103,193	1,414,645
Professional fees	Direct	-	-	-	-	71,677	-	71,677	44,918
Audit fees	Direct	-	-	-	-	-	50,616	50,616	34,000
Direct costs	Direct	-	-	6,671	-	956,846	-	963,517	1,161,924
Total direct costs		<u>4,572,005</u>	<u>449,345</u>	<u>6,671</u>	<u>-</u>	<u>1,682,371</u>	<u>50,616</u>	<u>6,761,008</u>	<u>7,412,920</u>
Support costs allocated to activities									
General office and finance support staff	Staff time & area average	-	87,521	592	4,572	89,753	32,641	215,079	282,461
Apportioned overhead cost	Staff time & area average	-	143,692	972	7,507	147,357	40,000	339,528	102,113
Apportioned support cost	Staff time & area average	-	15,276	-	510	16,110	-	31,896	132,428
Total support cost		<u>-</u>	<u>246,489</u>	<u>1,564</u>	<u>12,589</u>	<u>253,220</u>	<u>72,641</u>	<u>586,503</u>	<u>517,002</u>
Total for Group		<u>4,572,005</u>	<u>695,834</u>	<u>8,235</u>	<u>12,589</u>	<u>1,935,591</u>	<u>123,257</u>	<u>7,347,511</u>	<u>7,929,922</u>

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

10. Analysis of costs by activity (continued)

Trust only

Costs directly allocated to activities	Basis of allocation	Security of building and park £	Community events £	Leases and concessions £	Park & Palace running costs £	Governance £	Total 2011 £	Total 2010 £
Salaries	Direct	449,345	-	-	653,848	-	1,103,193	1,414,645
Professional fees	Direct	-	-	-	71,677	-	71,677	44,918
Audit fees	Direct	-	-	-	-	23,431	23,431	15,000
Direct costs	Direct	-	6,671	-	956,846	-	963,517	1,161,924
Total direct costs		449,345	6,671	-	1,682,371	23,431	2,161,818	2,636,487
Support costs allocated to activities								
General office and finance support staff	Staff time & area average	87,522	592	4,572	89,753	32,641	215,080	282,461
Apportioned overhead cost	Staff time & area average	143,692	972	7,507	147,357	40,000	339,528	102,113
Apportioned support cost	Staff time & area average	15,275	-	510	16,110	-	31,895	132,428
Total support cost		246,489	1,564	12,589	253,220	72,641	586,503	517,002
Total for Trust		695,834	8,235	12,589	1,935,591	96,072	2,748,321	3,153,489

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

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

11. Staff costs

	Group 2011 £	Group 2010 £	Trust 2011 £	Trust 2010 £
Wages and salaries	1,585,356	1,588,619	234,900	234,897
Social security costs	137,542	134,045	20,958	18,349
Pension costs	123,945	132,393	46,540	39,806
Agency staff costs	316,883	674,987	40,718	134,185
	<u>2,163,726</u>	<u>2,530,044</u>	<u>343,116</u>	<u>427,237</u>

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

	2011 Number	2010 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
£80,000 - £90,000	1	1
	<u>1</u>	<u>1</u>

Employer contributions to the defined contribution pension scheme for employees earning over £60,000 in the year were £9,000 (2010: £9,000) relating to one (2010: one) employee. The number of employees earning over £60,000 to whom retirement benefits are accruing under defined benefit schemes is one (2010: one).

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

	Group 2011 Number	Group 2010 Number	Trust 2011 Number	Trust 2010 Number
Ice rink	10 (4)	13 (5)	-	-
Repairs and maintenance including park	2 (2)	2 (2)	2 (2)	2 (2)
Cost of generating funds	37 (19)	34 (21)	-	-
Support costs	1 (1)	1 (1)	1 (1)	1 (1)
Management and administration	10 (10)	9 (9)	1 (1)	1 (1)
	<u>60 (36)</u>	<u>59 (38)</u>	<u>4 (4)</u>	<u>4 (4)</u>

The 2010 comparative number of persons employed has been restated

Of the 10 full-time equivalent staff working in the ice rink in 2011, 2 permanent and 1 casual staff were employed by the Trust but seconded to the trading company.

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

12. Taxation

Alexandra Park and Palace Charitable Trust is a registered charity. As such its sources of income and gains, received under chapters 2 and 3 of Part II to the Corporation Tax Act 2010, 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.

13. Tangible fixed assets

Group	Improvements to Palace and Park £	Plant and machinery £	Office equipment, furniture and fittings £	Total £
Cost				
At 1 April 2010	230,851	679,995	526,079	1,436,925
Additions	2,447,414	190,290	44,424	2,682,128
At 31 March 2011	<u>2,678,265</u>	<u>870,285</u>	<u>570,503</u>	<u>4,119,053</u>
Depreciation				
At 1 April 2010	118,408	348,845	346,682	813,935
Charge for the year	44,975	73,934	48,616	167,525
At 31 March 2011	<u>163,383</u>	<u>422,779</u>	<u>395,298</u>	<u>981,460</u>
Net book value				
At 31 March 2011	<u>2,514,882</u>	<u>447,506</u>	<u>175,205</u>	<u>3,137,593</u>
At 31 March 2010	<u>112,443</u>	<u>331,150</u>	<u>179,397</u>	<u>622,990</u>

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

13. Tangible fixed assets (continued)

Trust only	Improvements to Palace and Park £	Plant and machinery £	Office equipment, furniture and fittings £	Total £
Cost				
At 1 April 2010	230,851	679,995	490,509	1,401,355
Additions	2,447,414	190,290	32,207	2,669,911
At 31 March 2011	<u>2,678,265</u>	<u>870,285</u>	<u>522,716</u>	<u>4,071,266</u>
Depreciation				
At 1 April 2010	118,407	348,844	315,875	783,126
Charge for the year	44,976	73,935	46,424	165,335
At 31 March 2011	<u>163,383</u>	<u>422,779</u>	<u>362,299</u>	<u>948,461</u>
Net book value				
At 31 March 2011	<u>2,514,882</u>	<u>447,506</u>	<u>160,417</u>	<u>3,122,805</u>
At 31 March 2010	<u>112,444</u>	<u>331,151</u>	<u>174,634</u>	<u>618,229</u>

14. Fixed asset investments

Trust only	2011 £	2010 £
Shares in trading subsidiary At 1 April and 31 March	<u>2</u>	<u>2</u>

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

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

14. Fixed asset investments (continued)

Alexandra Palace Trading Limited paid £72,150 (2010: £399,928) gift aid to Alexandra Park & Palace Charitable Trust. The net income attributable to the group is consolidated on a line by line basis in the consolidated statement of financial activities. A summary of the results is shown below:

	2011 £	2010 £
Turnover	4,746,649	5,323,348
Interest income	1,894	3,013
	<u>4,748,543</u>	<u>5,326,361</u>
Cost of sales	(3,967,629)	(4,120,364)
Administrative expenses	(731,561)	(806,069)
	<u>(4,699,190)</u>	<u>(4,926,433)</u>
Net income to the group	49,353	399,928
Gift Aid to the Trust	(72,150)	(399,928)
Retained loss	<u>(22,797)</u>	<u>-</u>
Retained deficit brought forward	(1,183,534)	(514,534)
Actuarial loss on pension fund	654,000	(669,000)
Retained deficit carried forward	<u>(552,331)</u>	<u>(1,183,534)</u>

15. Stocks

	Group 2011 £	Group 2010 £	Trust 2011 £	Trust 2010 £
Food and beverages	78,543	90,627	-	-
Disposables	15,530	5,148	-	-
Other	2,470	4,552	-	-
	<u>96,543</u>	<u>100,327</u>	<u>-</u>	<u>-</u>

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

16. Debtors: amounts falling due within one year

	Group 2011 £	Group 2010 £	Trust 2011 £	Trust 2010 £
Trade debtors	1,061,928	535,899	75,597	64,248
Other amounts due from subsidiary undertaking	-	-	-	340,450
Gift aid due from subsidiary undertaking	-	-	72,150	399,928
Other debtors	38,329	15,315	-	158
Prepayments and accrued income < one year	117,094	328,625	57,221	296,309
	<u>1,217,351</u>	<u>879,839</u>	<u>204,968</u>	<u>1,101,093</u>

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

	Group 2011 £	Group 2010 £	Trust 2011 £	Trust 2010 £
Prepayments and accrued income > one year	15,000	-	-	-
Amount due from subsidiary undertaking	-	-	294,831	-
	<u>15,000</u>	<u>-</u>	<u>294,831</u>	<u>-</u>

18. Creditors: amounts falling due within one year

	Group 2011 £	Group 2010 £	Trust 2011 £	Trust 2010 £
Trade creditors	864,849	794,997	587,743	557,232
Other taxes and social security cost	237,518	124,452	-	-
Other creditors	20,019	-	-	-
Accruals	452,313	195,442	236,955	82,837
Deferred income	1,029,650	540,139	44,286	48,989
Ice rink refurbishment loan	32,818	-	32,818	-
	<u>2,637,167</u>	<u>1,655,030</u>	<u>901,802</u>	<u>689,058</u>

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

The ice rink refurbishment loan is a long term loan from London Borough of Haringey to refurbish the ice rink facility, of which £32,818 is repayable within one year. The remainder of the loan is repayable over a twelve year period.

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

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

	Group 2011 £	Group 2010 £	Trust 2011 £	Trust 2010 £
Ice rink refurbishment loan	2,070,460	-	2,070,460	-
Deferred income	220,405	-	-	-
	<u>2,290,865</u>	<u>-</u>	<u>2,070,460</u>	<u>-</u>

20. Deferred income

	Group 2011 £	Group 2010 £	Trust 2011 £	Trust 2010 £
Reconciliation of movement:				
Balance brought forward	540,139	635,892	48,989	28,297
Amount released to SOFA during the year	(540,139)	(635,892)	(48,989)	(28,297)
Amount deferred during the year	1,250,055	540,139	44,286	48,989
Balance carried forward	<u>1,250,055</u>	<u>540,139</u>	<u>44,286</u>	<u>48,989</u>

21. Provisions for liabilities

	Group &Trust 2011 £	Group &Trust 2010 £
Haringey Council: Indemnification	42,865,557	41,322,722
Reconciliation of movement:		
Balance brought forward	41,322,772	39,117,649
Amount charged to SOFA	356,555	430,490
Transfers to bank less VAT debtor	1,186,230	1,774,633
Balance carried forward	<u>42,865,557</u>	<u>41,322,772</u>

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.

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

21. Provisions for liabilities (continued)

Due to the nature of the relationship between the Trust and Haringey Council there are a number of significant related party transactions. These amounts are consolidated into the Trust's financial statements. However, due to the unique nature and structure of the relationship it is thought appropriate to disclose these items: general rates of £52,080 (2010: £48,500); entertainment licences of £47,850 (2010: £47,850); other licence fees £7,425 (2010: £1,350) public liability insurance £37,954 (2010: £37,954); APTL liability insurance of £18,977 (2010: £18,977); legal and professional fees £50,208 (2010: £25,823); road repairs £7,500 (2010: £nil); printing and other sundry items of £5,144 (2010: £2,406). These amounts are all payable by the Trust/APTL to the Council.

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 2010/11(2)	19,730	4,854	24,584
Provision: 1988/89 to 1990/91 (3)	755	2,641	3,396
	<u>25,490</u>	<u>17,376</u>	<u>42,866</u>

1. This is the amount which the Attorney General has agreed that Haringey Council is entitled to, in respect of expenditure incurred from operational deficits in the financial years 1991/92 to 1994/95.
2. This is the amount relating to the operational deficits for 1995/96 to 2010/11 which the Attorney General has agreed in principle that Haringey Council is entitled to. The final value has yet to be formally agreed. (The operational deficit is calculated as the deficit for the year before interest, the increase in working capital in the year and the capital spend in the year).
3. Haringey Council may also be entitled to indemnification for the operational deficits from 1988/89 to 1990/91, so this amount has also been provided for.

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

22. Accumulated unrestricted funds

	Balance 1 April 2010 £	Incoming resources £	Resources expended £	Transfers £	Actuarial gain/loss £	Balance 31 March 2011 £
Trust deficit funds	40,441,600	(4,963,336)	7,269,146	239,724	-	42,987,134
Pension deficit funds	978,000	-	25,000	-	(654,000)	349,000
Designated capital funds	-	-	51,744	(701,704)	-	(649,960)
	<u>41,419,600</u>	<u>(4,963,336)</u>	<u>7,345,890</u>	<u>(461,980)</u>	<u>(654,000)</u>	<u>42,686,174</u>

The above amounts represent the deficit equity of the Group and include £552,329 (2010: £1,183,534) of the trading subsidiary retained losses carried forward.

23. Restricted funds

	Balance 1 April 2010	Incoming resources	Expenditure & transfers	Balance 31 March 2011
Environment Agency Grant	1,158	-	-	1,158
Organ Appeal Fund	6,154	-	(1,621)	4,533
Theatre Fund	232	-	-	232
English Heritage	3,053	20,958	(20,958)	3,053
Restricted Capital Fund	-	441,022	(441,022)	-
	<u>10,597</u>	<u>461,980</u>	<u>(463,601)</u>	<u>8,976</u>

The restricted fund balance at 31 March 2011 is represented by cash at bank of £8,976.

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

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

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

The Restricted Capital Fund is a grant from London Borough of Haringey for priority capital works to the building. The restriction was satisfied on acquisition of the assets and therefore, a transfer has been made between restricted and designated funds.

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

24. Total funds

	Group 2011 £	Group 2010 £	Trust 2011 £	Trust 2010 £
Opening deficit fund balance	41,409,003	38,707,860	40,225,467	38,193,325
Deficit in year	1,922,195	2,032,143	1,899,398	2,032,142
Actuarial (gain)/loss	(654,000)	669,000	-	-
Closing deficit fund balance	<u>42,677,198</u>	<u>41,409,003</u>	<u>42,124,865</u>	<u>40,225,467</u>

25. 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 £29,661 (2010: £29,500).

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.

26. Commitments under operating leases

	2011 £	2010 £
Payments due within one year on leases expiring:		
Within one year (Land & Buildings)	26,922	33,334
Within two to five years (Plant & Machinery)	14,849	6,300
	<u>41,771</u>	<u>39,634</u>

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

27. Pension scheme

Trust:

(a) Defined benefit scheme

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

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

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

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

Following this valuation, the Actuary agreed that the Trust's contribution would be 22.9% for the three years of the triennial period.

Trading company:

(b) Defined benefit scheme

The trading company operates a defined benefit pension scheme for the benefit of scheme members who transferred to the trading company, from Alexandra Park and Palace Charitable Trust, on 1 November 1999. There are 4 (2010: 6) scheme members still in the employment of the trading company as at 31 March 2011. The assets of the Scheme are in a fund independent from the trading company and are administered by Haringey Council under the provisions of the Local Government Superannuation Act. The Scheme is accounted for in accordance with FRS 17.

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

27. Pension scheme (continued)

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

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

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

Alexandra Palace Trading Limited employer's contribution is 18.7% of salary. The pension contribution for the year was £32,000 (2010: £35,223).

The actuarial valuation described above has been updated at 31 March 2011 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value using the current bid price.

The major assumptions used for the actuarial valuation were:

	Nominal % per annum compound	
	2011	2010
	%	%
Rate of pensionable salary increases (excluding increments)	5.10	5.30
Rate of price inflation/pensions increases	2.80	3.80
Discount rate	5.50	5.50
Expected rate of return on assets	6.90	7.00

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

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

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

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

27. Pension scheme (continued)

For the year ended 31 March 2011, the expected return on the above assets was £124,000 (2010: £81,000) less the interest on pension scheme liabilities of £139,000 (2010: £113,000) gives a net return of £15,000 (2010: £32,000) as the amount debited to other finance income. Therefore overall the net cost to the profit and loss account for the year ended 31 March 2011 is £57,000 (2010: £58,000) after deduction of the current service cost.

	2011	2010
	£'000	£'000
Recognition in the profit and loss account		
Current service cost	42	26
Interest cost	139	113
Expected Return on employer assets	(124)	(81)
	<u>57</u>	<u>58</u>

The actual return on plan assets was £131,000 (2010: £455,000).

	2011	2010
	£'000	£'000
Reconciliation of defined benefit obligation		
Opening Defined Benefit Obligation	2,783	1,658
Current service cost	42	26
Interest cost	139	113
Contributions by members	11	15
Actuarial (gains)/losses	(598)	1,041
Estimated benefits paid	(103)	(70)
	<u>2,274</u>	<u>2,783</u>

	2011	2010
	£'000	£'000
Reconciliation of fair value of employer assets		
Opening fair value of employer assets	1,805	1,259
Expected return on assets	124	81
Contributions by members	11	15
Contributions by the employer	32	148
Actuarial gains	56	372
Benefits paid	(103)	(70)
	<u>1,925</u>	<u>1,805</u>

Alexandra Park and Palace Charitable Trust

Notes to the accounts (continued) Year ended 31 March 2011

27. Pension scheme (continued)

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

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Fair value of employer assets	1,925	1,805	1,259	1,602	1,737
Present value of defined benefit obligation	(2,274)	(2,783)	(1,658)	(1,694)	(2,039)
Deficit	(349)	(978)	(399)	(92)	(302)
Experience gains/(losses) on assets	56	372	(450)	(395)	(5)
Experience (losses)/gains on liabilities	(25)	-	-	122	(1)
	<u>1,925</u>	<u>1,805</u>	<u>1,259</u>	<u>1,602</u>	<u>1,737</u>

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

Fair value of employer assets	2011 £	2010 £
Equities	1,444	1,246
Bonds	346	397
Property	135	126
Cash	-	36
Total	<u>1,925</u>	<u>1,805</u>

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

	2011 £	2010 £
Actuarial gain/(loss)	654,000	(669,000)
	<u>654,000</u>	<u>(669,000)</u>

The cumulative amount of actuarial gains and losses recognised in the STRGL is (£138,000). The change in the measure used to calculate pension increases from RPI to CPI has reduced the overall deficit on the pension scheme by £300,000.

Alexandra Park and Palace Charitable Trust**Notes to the accounts (continued)
Year ended 31 March 2011****27. Pension scheme (continued)**

Contributions of £78,000 are expected to be paid into the scheme during the year to 31 March 2012.

	31 March 2011	
	£'000	% of pay
Projected current service cost	37	22.9%
Interest on obligation	125	77.2%
Expected return on plan assets	(134)	(82.7%)
	28	17.4%
	28	17.4%

b) Stakeholder personal pension scheme

For new employees to the trading company since 1 September 1999, the trading company has established a stakeholder pension and contributes personal pension contributions into this scheme. The employer's contribution is 10% of salary and the pension contribution for the year was £40,406 (2010: £45,050).

28. Contingent Liability

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

The substance of this claim continues to be disputed by the Council and the Trust. No legal proceedings have been commenced by either party. No provision has been made in the Trust's accounts for this claim. The information normally required under FRS12 is not disclosed on the basis that it can be expected to seriously prejudice the outcome of this matter.

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Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Your Ref: SJB/SER

29th November 2011

Dear Sirs

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 2011 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 2011 and of the results of its operations, other recognised gains and losses and its cash flows for the year then ended in accordance with the applicable accounting framework and the Charities Act 1993.

We acknowledge as trustees our responsibilities for preparing financial statements for the Alexandra Park and Palace Charitable Trust and its consolidated financial statements which give a true and fair view and for making accurate representations to you.

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework and the Charities Act 1993 which give a true and fair view, as set out in the terms of the audit engagement letter.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of FRS8 "Related party disclosures".
4. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.
5. The effects of uncorrected misstatements and disclosure deficiencies are immaterial, both individually and in aggregate, to the financial statements as a whole.
6. We confirm that the financial statements have been prepared on the going concern basis. We do not intend to liquidate the company or cease trading as we consider we have realistic alternatives to doing so. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.

7. Having considered our income streams and based on management's close monitoring of donations, response rates and appeals for funds we are satisfied that the total value of income as reported is not materially misstated.
8. All grants, donations and other incoming resources, the receipt of which is subject to specific restrictions, terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.
9. All constructive obligations for grants meeting the conditions set out in FRS 12 "Provisions, Contingent Liabilities and Contingent Assets" and the Charities SORP have been recognised in the financial statements.
10. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.
11. We confirm that:
 - all retirement benefits and schemes, including UK, foreign, funded or unfunded, approved or unapproved, contractual or implicit 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 (including the discount rate used) 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 as far as appropriate regarding the adopted methodology; and
 - the amounts included in the financial statements derived from the work of the actuary are appropriate.
12. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
13. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
14. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
16. We are not aware of any fraud or suspected fraud that affects the entity or group and involves:
 - (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.

17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
18. We are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations, and contractual agreements whose effects should be considered when preparing financial statements
19. We have disclosed to you the identity of the group's related parties and all the related party relationships and transactions of which we are aware.
20. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the applicable financial reporting framework. No other claims in connection with litigation have been or are expected to be received.

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

The substance of this claim continues to be disputed by the Council and the Trust. No legal proceedings have been commenced by either party. No provision has been made in the Trust's accounts for this claim. The information normally required under FRS12 is not disclosed on the basis that it can be expected to seriously prejudice the outcome of this matter.

21. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
22. We have drawn to your attention all correspondence and notes of meetings with regulators including, any serious incident reports.
23. All minutes of trustees' meetings during and since the financial year have been made available to you.
24. As at 31 March 2011 there were no significant capital commitments contracted for by the group.

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 trustees

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Alexandra Park and Palace
Charitable Trust (“APPCT”)

Report to the Board on the 2011
Audit

Update to the Final Report

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Update to the Final Report

When we presented our Final Report to the audit committee on 14 July 2011, we identified that there were matters outstanding. In addition, some items have arisen since that date. This report provides an update on those matters.

Legal matters

Shortly after we issued our Final Report, on 18 July 2011, further correspondence was received from solicitors acting for Firoka (Alexandra Palace) Ltd and Firoka (Kings Cross) Ltd ("Firoka") in relation to their claim against Haringey Council as trustee of APPCT, which has been previously disclosed as a contingent liability in the financial statements. This has been considered by management and the Trustees, who have concluded that the likelihood of an outflow of economic benefit as a result of a past event remains 'possible', and therefore they continue to disclose the claim in note 26 to the financial statements.

We have reviewed the updated disclosures made in the financial statements and concur that they meet the requirements of FRS 12.

Accounting for the ice rink

At the time of our Final Report, we noted that negotiations were ongoing with the contractor responsible for the ice rink refurbishment over the final account. These negotiations have since been concluded, and this has resulted in a reduction in the contract value, which has been reflected in the updated financial statements.

We concur with management that this represents an adjusting post-balance sheet event, on the basis that it provides updated information on the valuation of the liability that existed at the year end date.

Consolidation of APPCT by Haringey Council

During August 2011, APPCT was informed by Haringey Council that the decision had been made to consolidate the results of APPCT in Haringey Council's financial statements, in accordance with IFRS.

HM Treasury guidance (issued in relation to the consolidation of NHS charities) suggests that consolidation by another body should not threaten a charity's status provided there have been no changes in the charity's operations and decision-making, such that the Trustees are satisfied that they continue to act independently.

We recommended that the Trustees consider this at their next meeting, to confirm that they have considered the implications of this decision. We understand that the Trustees will consider this point at the meeting on 29 November. We will review the disclosures made in the financial statements to consider if they appropriately reflect the decision and its impact.

As a result of this decision, we were asked to make a report to Haringey Council's auditors on the financial statements of APPCT for the purposes of consolidation by Haringey. We completed this work, and as a result charged an additional fee for the audit of £1,500 (plus VAT), which is in addition to the fees reported to you in our Final Report.

Responsibility statement

This report should be read in conjunction with the "Final Report to the Audit Committee" circulated to you on 14 July 2011 and sets out an update on those audit matters of governance interest which came to our attention during the audit and were outstanding at the time of our final report or have arisen since that date. 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 deficiencies which may exist in internal control or of all improvements which may be made.

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

Reading
15 November 2011

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Alexandra Park and Palace
Charitable Trust (“APPCT”)

Report to the Board on the 2011
Audit

Final Report

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Introduction

Key findings on audit risks and other matters

Our findings on the key audit risks and other matters are as follows:

- **Revenue recognition** – we identified a risk in relation to the cut off of income in APPCT and completeness in APTL. The results of our testing proved satisfactory, with no issues to note.
- **Legal matters** – On 25 March 2009, a pre-action protocol letter of claim was submitted by solicitors acting for Firoka (Alexandra Palace) Ltd and Firoka (Kings Cross) Ltd (“Firoka”) against Haringey Council as trustee of APPCT. The letter asserted that the trustee was in breach of contract and intimated Firoka’s intention to claim damages for breach of contract, specified as the failure of the trustee to complete the grant of a long lease of the Palace to Firoka and to enter into other related commercial agreements with Firoka. No legal claims have been made by either party. Therefore, management have concluded that this should continue to be disclosed as a contingent liability. We concur with their conclusion.
- **Accounting for the ice rink** – APPCT undertook a project to refurbish the ice rink during 2010/11. The total additions to tangible fixed assets were £2.3 million, which were included within the ‘improvements to palace and park’ category. We have considered the accounting treatment for these additions and the useful economic lives selected by management and concur with their conclusions. Negotiations are ongoing with the contractor over the final account. No additional liability, nor reduction in the contract value, has been recognised by management and we agree with this accounting treatment.
- **Contract with Heineken** – APTL entered into a significant contract with Heineken during the year which will allow Heineken to locate the Dutch Olympic delegations headquarters outside the Olympic Village (called ‘Heineken House’) at Alexandra Palace during London 2012. We reviewed the contract and considered the accounting treatment adopted by management in respect of the transactions arising during the year. We concur with the treatment adopted.
- **Defined benefit pension scheme** – APTL operates a defined benefit pension scheme for the benefit of 4 employees. The net pension liability recognised at 31 March 2011 was £349,000. We reviewed the actuarial assumptions adopted by management and concluded that they are reasonable. We considered the accounting treatment of the change in the assumption for future pension increases from RPI to CPI. We concur with the treatment adopted.
- **Provision to Haringey Council** – At 31 March 2011 the total provision for Haringey Council indemnification was £42.9 million (2010: £41.3 million). The increase on the prior year relates to the ongoing operational deficits, movements in working capital and capital spend of APPCT. We concur with the accounting treatment adopted by management.
- **Going concern** – the financial statements have been prepared on a going concern basis. We have considered the basis on which management have reached this conclusion and the disclosures made in the financial statements. We have concluded that the approach taken is reasonable.

Identified misstatements and disclosure deficiencies

Audit materiality was £116,000 (2010: £122,000). There are no identified uncorrected misstatements or disclosure deficiencies.

Introduction (continued)

Completion of the audit and the auditor's report

The status of the audit is as expected at this stage of the timetable. On satisfactory completion of the outstanding matters listed below, we anticipate issuing an unmodified audit opinion on the truth and fairness of the consolidated financial statements. 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.

- Receipt of signed letter of representation; and
- Updating our work on the going concern review and post balance sheet events to the date of approval of the financial statements.

1. Key audit risks

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

1. Revenue recognition

International Standards on Auditing (UK and Ireland) require us to presume that there is an increased risk of fraud and / or error in relation to revenue recognition.

Deloitte response

We identified that for APPCT there is an increased risk that revenue may be misstated through incorrect cut-off of rental income between different accounting periods and that for APTL there is an increased risk that revenue from cash-based sales may be incomplete.

We performed detailed sample testing on rental income invoiced around the year end, and on income from the ice rink, food and beverage sales made in the Bar and Kitchen. No misstatements were identified.

2. Legal matters

On 25 March 2009, a pre-action protocol letter of claim was submitted by solicitors acting for Firoka (Alexandra Palace) Ltd and Firoka (Kings Cross) Ltd ("Firoka") against Haringey Council as trustee of APPCT. The letter asserted that the trustee was in breach of contract and intimated Firoka's intention to claim damages for breach of contract, specified as the failure of the trustee to complete the grant of a long lease of the Palace to Firoka and to enter into other related commercial agreements with Firoka. The value of this claim is £6.2 million.

On 26 May 2009, a detailed response was sent by solicitors acting for Haringey Council as trustee denying any liability.

No legal proceedings have yet been commenced by either party. No provision has been made in the APPCT's financial statements for either claim.

FRS 12 'Provisions, contingent liabilities and contingent assets' sets out three ways of reflecting the claim in the financial statements depending upon whether it is considered to be: probable, possible or remote.

Management have concluded that it is 'possible' that there could be an outflow of economic benefit as a result of a past event. Accordingly, they have disclosed the claim in note 26 to the financial statements.

Deloitte response

We wrote to APPCT's legal advisors as part of our normal audit procedures. They have confirmed that there has not been any further substantive action in respect of this matter during the current year. We have reviewed the disclosures made in the financial statements and concur that they meet the requirements of FRS 12.

1. Key audit risks (continued)

3. Accounting for the ice rink	Deloitte response
<p>APPCT undertook a project to refurbish the ice rink during 2010/11. The total additions to tangible fixed assets were £2.3 million, which were included within the 'improvements to palace and park' category. Management have selected useful economic lives as follows:</p> <ul style="list-style-type: none"> • 10 years for the refurbishment of the ticket office, entrance foyer, changing rooms and skate hire facilities • 20 years for the remainder of the ice rink infrastructure and equipment <p>The average life expectancy of ice arenas quoted by the Canadian Recreation Facilities Council is 32 years. Management consider that the life of the ice rink at Alexandra Palace will be shorter as the rink has been installed into a historic building. The life of the old ice rink was 22 years.</p> <p>Negotiations are ongoing with the contractor over the final account. No additional liability, nor reduction in the contract value, has been recognised by management at 31 March 2011.</p>	<p>We concur with the accounting treatment adopted by management.</p>
4. Contract with Heineken	Deloitte response
<p>APTL entered into a large contract with Heineken Nederland BV ("Heineken") during the year ended 31 March 2011 which will allow Heineken to locate the Dutch Olympic delegations headquarters outside the Olympic Village (called 'Heineken House') at Alexandra Palace during London 2012. An element of the hire charges payable by Heineken was due on the date of the agreement and was settled before 31 March 2011. This payment on account has been recorded as deferred income at 31 March 2011.</p> <p>APTL incurred legal fees during the year in respect of entering into the contract. These fees have been recorded as a prepayment at 31 March 2011.</p>	<p>We concur with the accounting treatment adopted by management.</p>

1. Key audit risks (continued)

5. Defined benefit pension scheme	Deloitte response
<p>APTL operates a defined benefit pension scheme for the benefit of 22 scheme members who transferred to the company on 22 November 1999. There are 4 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.</p> <p>In accordance with FRS 17 'Retirement Benefits', APTL is required to account for its share of the underlying assets and liabilities of the scheme.</p> <p>At 31 March 2011 the net pension liability recognised by APTL was £349,000 (2010: £978,000). The reduction in the liability was principally due to an actuarial gain of £654,000, of which £300,000 arose as a result of the announcements made by the UK Government in 2010 that statutory pension increases will now be linked to the Consumer Price Index ("CPI") rather than the Retail Price Index ("RPI").</p> <p>The move from RPI to CPI has been treated by management as a change in assumptions rather than a change in benefits and, as a result, has been recorded in the Statement of Total Recognised Gains and Losses rather than the Profit and Loss Account.</p>	<p>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.</p> <p>The assumptions selected by APTL are within the typical range of assumptions that are commonly used. 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.</p> <p>We have discussed this with management in previous years 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.</p> <p>We concur with the accounting treatment adopted by management for the change in the basis of statutory pension increases from RPI to CPI.</p>

2. Other matters

1. Provision to the Council

Background At 31 March 2011 the total provision for Haringey Council indemnification was £42.9 million (2010: £41.3 million).

	Accumulated balance	Interest	Total
Indemnification 1991/92 to 1994/95	5,005	9,881	14,886
Indemnification 1995/96 to 2010/11	19,730	4,854	24,584
Provision: 1988/99 to 1990/91	755	2,641	3,396
	25,490	17,376	42,866

The increase on the prior year relates to the ongoing operational deficits, movements in working capital and capital spend 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.

FRS 12 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.

In addition to this provision for Haringey Council indemnification, APPCT has recognised a loan creditor of £2.1 million relating to Haringey's 12 year loan to fund the ice rink refurbishment. This is in addition to the provision discussed above, and is interest-bearing.

**Deloitte
response**

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

2. Going concern

Background Management have undertaken and documented their assessment of whether APPCT is a going concern. They have concluded that the entity will remain a going concern due to the ongoing financial support which Haringey Council ("the Council") is legally obliged to provide. The Council's current policy is to ensure that funds are provided to APPCT to maintain its bank balance at a pre-agreed level. This mechanism funds operational deficits, working capital movements and capital spend and ensures that APPCT is in a position to settle its third party liabilities as they fall due.

**Deloitte
response**

We have reviewed the assessment performed by management. We concluded that it meets the requirements of the FRC guidance. We concur with management's conclusion.

3. Accounting and internal control systems

Control observations

During the course of our audit we identified the following control observations:

Contract signing	
Description	We identified one contract that was signed but no date had been included to evidence the point at which both parties were bound by the contract terms.
Recommendation	All contracts entered into should document the date on which they were signed by both parties.
Management response	Agreed. This will be implemented going forwards.
Timeframe:	Immediate
Owner:	Senior management team

Tangible fixed assets - additions	
Description	We noted that the fixed asset additions relating to the ice rink have been recorded in the fixed asset register based on the purchase invoices received. This will make it difficult to account for future disposals or replacements of components of the asset.
Recommendation	The assets purchased should be disaggregated on the fixed asset register to enable future disposals or replacements to be reflected accurately.
Management response	Agreed. This will be done once the final account has been settled with the main contractor and the final cost can be properly disaggregated.
Timeframe:	Upon completion of the final account
Owner:	Head of Finance

Tangible fixed assets - disposals	
Description	We identified that some fixed assets were disposed of during the year but not removed from the fixed asset register. Finance had not been informed of the disposals by the relevant departments.
Recommendation	Management should ensure that there is an effective process for departments to notify finance of any fixed asset disposals.
Management response	A formal policy and procedure for fixed asset disposals was introduced in May 2010 and communicated to all staff via email and the monthly staff meeting. Unfortunately, some staff had not complied with the stated policy during the year. The policy and correct procedures for disposing of fixed assets have since been reiterated to all staff.
Timeframe:	Completed
Owner:	General Manager

5. Responsibility statement

This report should be read in conjunction with the "Briefing on audit matters" attached as Appendix 1 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 deficiencies which may exist in internal control or of all improvements which may be made.

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

Reading
14 July 2011

Appendix 1: Briefing on audit matters

Published for those charged with governance



This document is intended to assist those charged with governance to understand the major aspects of our audit approach, including explaining the key concepts behind the Deloitte Audit methodology including audit objectives and materiality.

Further, it describes the safeguards developed by Deloitte to counter threats to our independence and objectivity.

This document will only be reissued if significant changes to any of those matters highlighted above occur.

We will usually communicate our audit planning information and the findings from the audit separately. Where we issue separate reports these should be read in conjunction with this "Briefing on audit matters".

Approach and scope of the audit

Primary audit objectives

We conduct our audit in accordance with International Standards on Auditing (UK & Ireland) as adopted by the UK Auditing Practices Board ("APB"). Our statutory audit objectives are:

- to express an opinion in true and fair view terms to the trustees on the financial statements;
- to express an opinion as to whether the accounts have been properly prepared in accordance with UK GAAP;
- to express an opinion as to whether the accounts have been prepared in accordance with the Charities Act; and
- to form an opinion on whether adequate accounting records have been kept by the charity.

Other reporting objectives

Our reporting objectives are to:

- present significant reporting findings to those charged with governance. This will highlight key judgements, important accounting policies and estimates and the application of new reporting requirements, as well as significant control observations; and
- provide timely and constructive letters of recommendation to management. This will include key business process improvements and significant controls weaknesses identified during our audit.

Materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to monetary misstatements but also to disclosure requirements and adherence to appropriate accounting principles and statutory requirements.

"Materiality" is defined in the International Accounting Standards Board's "Framework for the Preparation and Presentation of Financial Statements" in the following terms:

Materiality (cont'd)

"Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful."

We determine materiality based on professional judgment in the context of our knowledge of the audited entity, including consideration of factors such as stakeholder expectations, sector developments, financial stability and reporting requirements for the financial statements.

We determine materiality to:

- determine the nature, timing and extent of audit procedures; and
- evaluate the effect of misstatements.

The extent of our procedures is not based on materiality alone but also local considerations of subsidiaries and divisions of the group, the quality of systems and controls in preventing material misstatement in the financial statements, and the level at which known and likely misstatements are tolerated by you in the preparation of the financial statements.

For local statutory reporting purposes, individual materiality levels will be set for each of the subsidiary companies.

Uncorrected misstatements

In accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK and Ireland)") we will communicate to you all uncorrected misstatements (including disclosure deficiencies) identified during our audit, other than those which we believe are clearly trivial.

ISAs (UK and Ireland) do not place numeric limits on the meaning of 'clearly trivial'. The Audit Engagement Partner, management and those charged with governance will agree an appropriate limit for 'clearly trivial'. In our report we will report all individual identified uncorrected misstatements in excess of this limit and other identified errors in aggregate.

We will consider identified misstatements in qualitative as well as quantitative terms.

Audit methodology

Our audit methodology takes into account the changing requirements of auditing standards and adopts a risk based approach. We utilise technology in an efficient way to provide maximum value to trustees and create value for management and the Board whilst minimising a "box ticking" approach.

Our audit methodology is designed to give trustees the confidence that they deserve.

For controls considered to be 'relevant to the audit' we evaluate the design of the controls and determine whether they have been implemented ("D & I"). The controls that are determined to be relevant to the audit will include those:

- where we plan to obtain assurance through the testing of operating effectiveness;
- relating to identified risks (including the risk of fraud in revenue recognition, unless rebutted and the risk of management override of controls);
- where we consider we are unable to obtain sufficient audit assurance through substantive procedures alone; and
- to enable us to identify and assess the risks of material misstatement of the financial statements and design and perform further audit procedures.

Other requirements of International Standards on Auditing (UK and Ireland)

ISAs (UK and Ireland) require we communicate the following additional matters:

ISA (UK & Ireland)	Matter
ISQC 1	Quality control for firms that perform audits and review of financial statements, and other assurance and related services engagements
240	The auditor's responsibilities relating to fraud in an audit of financial statements
250	Consideration of laws and regulations in an audit of financial statements
265	Communicating deficiencies in internal control to those charged with governance and management
450	Evaluation of misstatements identified during the audit
505	External confirmations
510	Initial audit engagements – opening balances
550	Related parties
560	Subsequent events
570	Going concern
600	Special considerations – audits of group financial statements (including the work of component auditors)
705	Modifications to the opinion in the independent auditor's report
706	Emphasis of matter paragraphs and other matter paragraphs in the independent auditor's report
710	Comparative information – corresponding figures and comparative financial statements
720	Section A: The auditor's responsibilities relating to other information in documents containing audited financial statements

Independence policies and procedures

Important safeguards and procedures have been developed by Deloitte to counter threats or perceived threats to our objectivity, which include the items set out below.

Safeguards and procedures

- Every opinion (not just statutory audit opinions) issued by Deloitte is subject to technical review by a member of our independent Professional Standards Review unit.
- Where appropriate, review and challenge takes place of key decisions by the Second Partner and by the Independent Review Partner, which goes beyond ISAs (UK and Ireland), and ensures the objectivity of our judgement is maintained.
- We report annually to those charged with governance our assessment of objectivity and independence. This report includes a summary of non-audit services provided together with fees receivable.
- There is formal consideration and review of the appropriateness of continuing the audit engagement before accepting reappointment.
- Periodic rotation takes place of the audit engagement partner, the independent review partner and key partners involved in the audit in accordance with our policies and professional and regulatory requirements.
- In accordance with the Revised Ethical Standards issued by the APB, there is an assessment of the level of threat to objectivity and potential safeguards to combat these threats prior to acceptance of any non-audit engagement. This would include particular focus on threats arising from self-interest, self-review, management, advocacy, over-familiarity and intimidation.

Safeguards and procedures (cont'd)

- In the UK, statutory oversight and regulation of auditors is carried out by the Professional Oversight Board (POB) which is an operating body of the Financial Reporting Council. The Firm's policies and procedures are subject to external monitoring by both the Audit Inspection Unit (AIU), which is a division of POB, and the ICAEW's Quality Assurance Directorate (QAD). The AIU is charged with monitoring the quality of audits of economically significant entities and the QAD with monitoring statutory compliance of audits for all other entities. Both report to the ICAEW's Audit Registration Committee. The AIU also reports to POB and can inform the Financial Reporting Review Panel of concerns it has with the accounts of individual companies.

Independence policies

Our detailed ethical policies' standards and independence policies are issued to all partners and employees who are required to confirm their compliance annually. We are also required to comply with the policies of other relevant professional and regulatory bodies.

Amongst other things, these policies:

- state that no Deloitte partner (or any immediate family member) is allowed to hold a financial interest in any of our UK audited entities;
- require that professional staff may not work on assignments if they (or any immediate family member) have a financial interest in the audited entity or a party to the transaction or if they have a beneficial interest in a trust holding a financial position in the audited entity;
- state that no person in a position to influence the conduct and outcome of the audit (or any immediate family member) should enter into business relationships with UK audited entities or their affiliates;
- prohibit any professional employee from obtaining gifts from audited entities unless the value is clearly insignificant; and
- provide safeguards against potential conflicts of interest.

Remuneration and evaluation policies

Partners are evaluated on roles and responsibilities they take within the firm including their technical ability and their ability to manage risk.

APB Revised Ethical Standards

The Auditing Practices Board (APB) has issued five ethical standards for auditors that apply a 'threats' and 'safeguards' approach.

The five standards cover:

- maintaining integrity, objectivity and independence;
- financial, business, employment and personal relationships between auditors and their audited entities;
- long association of audit partners and other audit team members with audit engagements;
- audit fees, remuneration and evaluation of the audit team, litigation between auditors and their audited entities, and gifts and hospitality received from audited entities; and
- non-audit services provided to audited entities.

Our policies and procedures comply with these standards.


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Alexandra Palace & Park Board	on 29 th November 2011
Report Title: Regeneration Working Group Update	
Report of: Mark Hopson, Head of Regeneration & Development, Alexandra Park & Palace	
<p>1. Purpose</p> <p>1.1 To report back on progress made by the Alexandra Park & Palace Regeneration Working Group (APPRWG) since the last Board meeting on the 1 November 2011 and the main activities in relation to Stage 2 - Concept Planning.</p> <p>1.2 To summarise and report back the strategic development objectives that were developed in the pre-planning sessions and away day with Trustees on the 29 October 2011.</p> <p>1.3 To update the Board on the most recent discussions with English Heritage in relation to submitted funding bids.</p> <p>1.4 To update the Board on the Communications Strategy; a summary of key messages and forthcoming milestones.</p> <p>1.5 To outline forthcoming key regeneration activity.</p>	
<p>2. Recommendations</p> <p>2.1 That the Board notes the on-going regeneration related work since the last update on the 18th October 2011.</p> <p>2.2 That the Board agree and approve the strategic objectives drafted at the Trustee Away Day noting that these agreed principles will form the basis of market research with potential music/entertainment operators.</p> <p>2.3 That the Board notes the proposed key messages in the Communications Strategy.</p> <p>2.4 That the Board notes the forthcoming regeneration milestones and approves the proposal to include regeneration as a standing agenda item at the Statutory Advisory Committee (SAC) and Consultative Committee (CC) and the intention of holding a formal public consultation event in March 2012.</p>	
Report Authorised by: Duncan Wilson, APP Chief Executive	
Contact Officer: Mark Hopson, Head of Regeneration & Development, Alexandra Park & Palace	
<p>3. Executive Summary</p> <p>3.1 This report summarises the work of the APPRWG since the last regeneration update to Board on the 18th October 2011.</p>	

3.2 Regeneration work continues to progress in accordance with the work programme. Concisely:

- A specification has been prepared for a dedicated Conservation Architect which will shortly be tendered.
- Preparatory scoping work is underway for the procurement of masterplanning services that will be required to begin work in January 2012.
- Key documents such as the Business Plan and Procurement Strategy continue to be progressed
- A funding bid was submitted to Haringey outlining the full anticipated programme costs for regeneration for the period 2012/13 – 2015/16. The bid covers all those costs associated with developing, managing and delivering the regeneration programme. The principle of any savings the Trust makes in its overall net funding position being used to fund this bid has also been put forward.

3.3 The report outlines the strategic aims and regeneration development objectives that were developed in the pre-planning sessions and away day with Trustees on the 29 October 2011. These are intended to form the basis for the forthcoming market research and the starting block for future engagement with potential operators.

3.4 The Communications Strategy for the regeneration programme has been updated to include key messages and key timings based around programme milestones for engagement with media and stakeholders.

3.5 Further meetings with English Heritage have been held with an agreement to expand the existing emergency repairs application to include works to the South Terrace, Theatre and buildings adjoin the ice rink foyer at the east end of the building.

3.6 Upcoming milestones for the regeneration programme include a period of market research which will inform both the business plan, procurement strategy and garner the overall market interest in a potential partnership at Alexandra Palace; the procurement of key specialists including a Conservation Architect, Masterplanning Agency and specialist services for future stages of work.

3.7 A formal public consultation is planned for March 2012 and will seek to engage broadly with stakeholders on regeneration plans. It is also proposed that updates on regeneration become a standing agenda item at Statutory Advisory Committee (SAC) and Consultative Committee (CC).

4. Reasons for any change in policy or for new policy development (if applicable)

N/A

5. Local Government (Access to Information) Act 1985

APPB 18 October 2011: Regeneration Update Report

6. Progress update

6.1 Regeneration work continues to progress in line with the planned programme and milestone outputs identified within it.

6.3 A role profile and work specification has, in consultation with English Heritage, been created for a specialist conservation architect. Specifically, the architect will be employed on a term basis to develop a Heritage Management Plan and advise on specialist repairs in

relation to historic building fabric. A tender for this work and role will commence shortly with an appointment expected in early December.

- 6.4 Work has commenced on scoping the specialist professional services that will be required for the next stage of the regeneration programme. In particular, this stage will mainly focus on the procurement of a commercial live music operator, finalising the business plan and funding strategy as well as preparing funding bids to organisations such as HLF. To achieve a successful outturn of this stage, specific property, finance, legal and technical skills will need to be procured in early 2012 to ensure seamless continuity moving forward.
- 6.5 A funding bid was submitted to Haringey outlining the full anticipated programme costs for regeneration for the period 2012/13 - 2015/16. The bid outlines the all those costs associated with developing, managing and delivering the whole regeneration programme up until the point of actual refurbishment/development. The costs include those associated with developing and finalising a robust business plan, funding strategy, masterplanning, procurement and tendering process. This work includes the internal project resourcing, all external professional services and expertise (e.g. legal, finance and procurement) as well other related work e.g. consultation. The principle of any savings the Trust makes in its overall net funding position being used to fund this bid has also been put forward.

7 Strategic aims and objectives

- 7.1 As reported in the last regeneration update to Board on the 18th October, one of the critical outputs during the current stage of work is to have an agreed Trust position on the parameters that will form the basis of any future agreement with potential partners and investors.
- 7.2 In total, two pre-planning sessions and an away day have been held to consult with Trustees on the conditions that are vital for the Trust to achieve its' vision, strategic aims and regeneration objectives whilst discharging its' charitable obligations.
- 7.3 The sessions held generated important discussions and ideas in relation to how the Trust might proceed with a partnership model consisting of commercial and community partners. As a result, key strategic aims were developed, considered and debated in order to adequately reflect the Trust's longer term position and ambitions for the site. These were agreed to be :
- Redevelopment of the Palace and Park as a leisure and entertainment destination, anchored by a major live entertainment venue, to match the best on offer in London whilst retaining the special nature of "the People's Palace"
 - Respect for the rich history and heritage potential of the Palace and Park and their continued preservation, refurbishment, interpretation and use as a resource for learning and enjoyment
 - Delivery of wider community benefit, including contributions to public health and well-being, the environment and the economy
 - Commitment to quality and to high standards of design, delivery, management and operations, to meet the expectations of users and stakeholders and befitting the historic importance and iconic nature of the destination
 - Free access to the Park and its continued management as an amenity for the local community and for visitors
 - Public access to the most historically significant areas of the Palace, including the BBC TV studios and the theatre

- Long term financial sustainability to secure the future of the Palace and Park as a public amenity and visitor destination
- Reinforcing the role of the Trust in delivering these aims

7.4 In establishing the key strategic aims for the Trust, regeneration objectives were also reviewed and refreshed so that an agreed position and set as a basis for future discussions with potential partners or interested parties. These were agreed to be:

- Regular and on-going consultation with and feedback to all interested stakeholders, reaching out as widely as practicable
- Openness and accountability , consistent with commercial prudence
- Creation of a robust and realistic business model for the regeneration project
- Delivery of the project through careful identification and effective procurement of potential operating and development partners sympathetic with our aims
- Well –researched evaluation of the most important and authentic features of the Palace and Park, as the basis for conservation and interpretation plans
- A clear view of public benefit as a basis for Lottery and other charitable funding bids, and as a basis for helping to redefine our relationship with Haringey Council

7.5 In addition to the aims and objectives, a number of issues were also considered in relation to what the final form of Alexandra Palace and Park might look like. These discussions however were deemed premature and it was agreed that the detail of any proposals would be negotiated with potential partners at the appropriate stage in the future.

8 Communications Strategy

8.1 The following key messages are suggested as the backbone of our communications process for the Regeneration Programme:

- Alexandra Park & Palace Charitable Trust is committed to working with the local community, its partners, and stakeholders to achieve its strategic objectives with an additional aim of improving the local economy. This would include providing more business, employment, educational and leisure opportunities for the community.
- Significant funding needs to be generated and external financial investment and support is imperative if the regeneration project is to succeed.
- Alexandra Park, which underwent a major refurbishment from 2002 and 2007 following grants of £2.75 million from the Heritage Lottery Fund and £918,000 from Haringey Council, is a much-valued amenity for Londoners. Nevertheless, some environmental improvement in some areas including its attractions is still needed.

8.2 These key messages sit against the backdrop of the Regeneration Programme's Objectives (as stated in paragraphs 7.3 and 7.4 above).and Trust's Vision and Mission Statements

8.3 A Regeneration Communications Time Line is being drafted alongside the Communications Strategy, which will evolve as the Regeneration Programme develops. Potential key communication milestones which already have been identified include:

- March 2012 – Public consultation/exhibition on the high level concept plans and proposals for Alexandra Park & Palace.

- April/May 2012 – Trade announcement and consultation over the Tender Process for (an) Operator(s) as it gets underway.
- June 2012 – Diamond Jubilee Celebrations
- July 2012 – Olympic Torch comes to Alexandra Palace
- November 2012 – Heritage Lottery Fund Bid
- April 2013 (tbc) – Announcement of which operator(s) has/have been appointed
- May 2013 (tbc) – Outcome of Heritage Lottery Fund Bid.

9 English Heritage

9.1 Further to the bid submission in September, a meeting was held in October to discuss progress and how, in particular, the proposed repair works could be broadened to have a greater impact on historically significant parts of the building. As a result it was agreed that the existing repairs bid would re-adjusted to focus on:

- Render and brickwork repair/treatment to the South Terrace elevation directly in front of the Panorama Room
- Reinstating permanent roofs to the east end buildings adjacent to the ice rink foyer and making these areas wind and water tight
- Repairing the Theatre roof/gullies/gutters to remedy existing leaks

9.2 In addition to the broadened specification of work listed above, development funding will also be sought to enable:

- Adequate surveys and investigation work to be carried out where necessary
- Appropriate repair work specifications to be drawn up
- Accurate job cost estimates to be calculated

9.3 The application relating to the development of a Heritage Management Plan continues to be assessed by English Heritage with additional information being submitted to support the bid.

10 Summary of forthcoming regeneration milestones

10.1 Looking ahead, there are a number of key outputs planned in relation to the regeneration programme. Primarily, these include:

- tendering for a conservation accredited architect to assist with, subject to English Heritage Funding, developing a conservation management plan and overseeing repair works to the building
- commencing primary market research with potential live music and entertainment operators, hoteliers and funding institutions – the main aim of this exercise is to extract market insight and understand better the appetite for investment. The information gained will then be used to form the basis of an initial brief which will later be used to invite interest.
- engaging and consulting with the Charity Commission
- preparing a brief to tender for masterplanners - this will begin to examine and prepare some notional concept designs for the site based on a defined music/entertainment venue anchor, hotel, food & beverage and other commercial offers together with public and community space. The masterplanning work will consider design and access issues such as the arrangement of spaces within the building and wider site, the interaction of these spaces and the movement of people between them. It is important to note that this work will

be carried out in conjunction with the heritage management plan so that the valuable heritage aspects of the site are considered, acknowledged and bound into any future development proposals.

- preparation for a formal public consultation at the beginning of March 2012 which will invite views and comments from a broad audience of stakeholders on a draft regeneration strategy and notional design concepts. Consultation will likely be in the form of a public exhibition at the Palace which will be widely advertised and promoted. It is also proposed to report regeneration as a standing agenda item at the Statutory Advisory Committee (SAC) and Consultative Committee (CC).

10.2 The Head of Regeneration will continue to report back on the progress of the regeneration programme to the Board and continue to regularly give updates at the informal stakeholder forums.

11 Consultation

11.1 There has been no specific consultation in relation to this report.

12 Recommendations

12.1 That the Board notes the on-going regeneration related work since the last update on the 18th October

12.2 That the Board agree and approve the strategic objectives drafted at the Trustee Away Day noting that these agreed principles will form the basis of market research with potential music/entertainment operators.

12.3 That the Board notes the proposed key messages in the Communications Strategy.

12.4 That the Board notes the forthcoming regeneration milestones and approves the proposal to include regeneration as a standing agenda item at the Statutory Advisory Committee (SAC) and Consultative Committee (CC) and the intention of holding a formal public consultation event in March 2012.

13 Financial Implications

13.1 Funds for the in-year budget shortfall of approximately £90K have now provisionally been identified by the Chief Executive and Head of Finance at the Trust. Subject to the regeneration work moving forward as programmed, the identified funds will be committed and spent as profiled.

13.2 The Head of Regeneration will continue to monitor and report back on the budget position at future Trust Board meetings.

14 Legal Comments

14.1 The legal opinion of the Trust's solicitor has been taken into account in the preparation of this report.

14.2 The Council's Acting Head of Legal Services has no comments on this report

15 Financial Comments

15.1 The Chief Finance officer notes the report and that the funding gap for 2011/12 has been bridged in respect of the programme.

16 Use of Appendices/Tables/Photographs

N/A.

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Alexandra Palace & Park Board

on 29th November 2011

Report Title: **Governance – Board meetings calendar**

Report of: **Duncan Wilson, APP Chief Executive**

1. Purpose

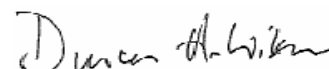
1.1 To seek the Board's approval to a new timetable for Board meetings from the beginning of the Municipal Year 2012/13 and beyond, coordinated with Trading Company and other subcommittee/advisory committee meetings.

2. Recommendations

2.1 That the Board notes the report, approves the proposed new quarterly frequency of Board meetings with effect from the beginning of the Municipal Year in May 2012 and invites the Chairs of other relevant Committees to co-ordinate their meetings with the main Board as proposed.

2.2 That the Board agrees to cancel the scheduled 19 December 2011, and consideration is given to moving the regular April 3 2012 meeting to mid-May 2012, to establish the new quarterly frequency (the meeting scheduled for 16 February 2012 fits with the proposed new cycle). However we may need special meeting to consider regeneration issues in early April 2012 anyway, so it is recommended that Board members hold the date.

Report Authorised by: **Duncan Wilson, Chief Executive APP**



Contact Officer: **Duncan Wilson, Chief Executive Alexandra Palace & Park, Alexandra Palace Way, Wood Green N22 7AY Tel No. 020 8365 2121**

3. Executive Summary

- 3.1 This report proposes rationalising the current calendar and frequency of Board meetings with effect from May 2012, and cancelling the Board meeting scheduled for December 19 2011 which is only three weeks from the November meeting.
- 3.2 It also proposes synchronising meetings with those of the Trading Company and other subcommittees and advisory bodies, subject to agreement by their respective Chairs and Boards.

4. Reasons for any change in policy or for new policy development (if applicable)

The reason for reducing the frequency of meetings is to reduce Board member officer and staff time commitments and consequently reduce the direct costs of governance, releasing resources for redeployment into areas such as regeneration. This can be done without affecting accountability on the basis that there remains an urgency sub panel and the option of special meetings.

5. Background

5.1 There is a general recognition that the current governance structure at AP is very demanding of Board Members' time and staff resources. The question arises as to whether accountability could be as effectively delivered in a more efficient way. This question has been addressed at LB Haringey (LBH) more generally as part of the recent expenditure scrutiny exercise. Since LBH officers provide extensive support to the AP Board, it is incumbent on us to review our own arrangements with similar thoroughness.

5.2 The governance structure is as follows:

- (i) Main Trust Board (APPB) consisting of seven members drawn from Local Authority membership, reflecting LA's overall responsibility for APP Trust under The Alexandra Park and Palace (Public Purposes) Act 1900. The Chair of the APPB and the balance of membership reflecting overall political balance at LBH, is appointed by Full Council of the LBH annually and in accordance with the requirement of proportionality. Additional non voting members of the Board are: Chair of SAC (ex officio) and appointed representatives of Consultative Committee;
- (ii) An urgency Panel of APPB consisting of the Chair/Vice Chair , one other majority Member and two minority members, which meets on an ad-hoc basis;
- (iii) Wholly-owned subsidiary Trading Company (APTL), with separate Board of four members drawn from Trust Board plus two non-executive directors with commercial expertise and an officer from the Council, making seven in all. Chairman of Main APPT Board represents shareholder interest;
- (iv) Statutory Advisory Committee (SAC) of 8 members drawn from representative community bodies. SAC role and membership defined under the Alexandra Park and Palace Act 1985;
- (v) Consultative Committee (CC) of up to 30 members representing interested groups, with broader coverage than SAC.

5.3 Sub-committees

The APTL Finance and Audit sub committee, drawn from the APTL Board, meets to discuss Trading Company budgets and accounts regularly, and advise the APTL Board accordingly.

5.4 Other groups

- (i) The APPB has an informal Finance, Audit, and HR sub group which meets on an ad-hoc basis. This body has no executive/decision making powers recommends matters to the APPB for consideration;
- (ii) There is a Regeneration Working Group of seven people which meets separately to receive reports and advise the Trust on the regeneration project,

chaired by the LBH Director of Place and Sustainability. This body has no executive/decision making powers and recommends matters to the APPB for consideration;

- (iii) There is also an informal Stakeholder Forum which meets monthly. Membership is open to anyone expressing an interest.

5.5 Frequency of meetings

Altogether this amounts to about 50 meetings a year, ie close to one every week on average. Some of the senior staff of the Trust and Trading Company attend every meeting.

As an immediate measure to improve efficiency it is recommended that main APPB Board meetings are held quarterly, with "special" meetings convened in between quarterly dates only as a matter of absolute necessity. APTL meetings would ideally be scheduled a week or so in advance of the main Board so that results can be reported to the main Board promptly, and the relevant Finance committee meeting a week in advance of the related APTL meeting. Advisory committees would as present meet a few weeks in advance of the main Board. That would point to a typical annual cycle being as follows:

	First cycle	Second cycle	Third cycle	Fourth cycle
APPB	May <i>Week 2</i>	July <i>Week 4</i>	November <i>Week 2</i>	February <i>Week 2</i>
APTL Board	May <i>Week 1</i>	July <i>Week 3</i>	November <i>Week 1</i>	February <i>Week 1</i>
APPT and APTL Finance Committee(s)	April <i>Week 4</i>	July <i>Week 2</i>	October <i>Week 4</i>	January <i>Week 4</i>
AP SAC and CC	April <i>Week 2</i>	July <i>Week 2</i>	October <i>Week 2</i>	January <i>Week 2</i>
Regen. Working group	<i>Monthly as required</i>	<i>Monthly as required</i>	<i>Monthly as required</i>	<i>Monthly as required</i>
Informal stakeholder forum	<i>Quarterly as required</i>	<i>Quarterly as required</i>	<i>Quarterly as required</i>	<i>Quarterly as required</i>

This would make approximately 32 meetings per annum, formal and informally and would constitute a significant reduction on the present cycle of 50 meetings.

5.6 Cyclical items.

These are mainly financial, or at least include a large financial component, and would be dealt with as follows

February <i>(next year's draft budget, 3-year Business Plan)</i>	May <i>(management accounts for previous year, budget confirmation)</i>	July <i>(first quarter results)</i>	November <i>(half year results)</i>
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5.7 Current main APPB meeting timetable

Currently APPB meetings are scheduled for 29.11.11, 19.12.11, 16.2.12 and 3.4.12. It is recommended that of these the 19 December 2011 meeting is cancelled, the February 2012 meeting is unchanged and the "regular cycle" April 3 meeting is moved to mid-May 2012. However it is also recommended that the April 3 date is "held" in Board members' diaries in case it is needed as a special meeting for regeneration. The new timetable would begin in accordance with the LB Haringey's Municipal Year 2012/13 with the first APPB in May 2012.

5.8 Structural changes in governance.

At this stage no recommendations are made for structural changes in governance since the assessment of potential costs and benefits needs comprehensive consideration and should also include detailed technical advice. A further paper will be prepared for consideration by the Board early in 2012.

Legal and Financial Comments

6.1 The Trust's solicitor comments as follows:

- 6.1.1 It is sound management to try to rationalise and reduce the number of trustee Board meetings both to save costs and officer time. Given that the role of the trustee Board is to make key decisions on matters of strategy and achieving objectives, quarterly meetings may be considered as sufficient and would not be out of line with practice in the voluntary sector.
- 6.1.2 It is appropriate to note the option, as per paragraph 5. 2 (ii), of ad hoc meetings of an urgency sub panel as and when required.
- 6.1.3 Further there exists an option of convening a Special Board meeting should any key strategy and objective issues need to be determined.
- 6.1.4 Board members are reminded of the fact that a trustee induction meeting is held at the start of each municipal year. This has always been arranged prior to the first Board meeting. Its purpose is to provide new trustees with a bible of key documentation and update the knowledge base of any re appointed trustees. We recommend this meeting continues to be held in addition to the proposed quarterly meeting.
- 6.1.5 Our advice in relation to trustee induction is based on the Charity Commission recommended best practice as to what someone should do before becoming a trustee. This is set out at E1 of the Commission's publication "The Essential Trustee."

6.2 The LBH Acting Head of Legal Services

The Council's Acting Head of Legal Services endorses the comments of the Council's Chief Financial Officer.

6.3 The London Borough of Haringey Chief Finance Officer

Any streamlining for the frequency of meetings is to be welcomed providing the Trust is able to discharge its duties in a timely fashion. It is noted that special meetings will be held if necessary.

7. Equalities Implications

7.1 There are no perceived equalities implications

DW 17.11.11

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of the Local Government Act 1972.

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