

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Appendix 1

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

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Charity Number: 281991

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Trustees' Annual Report for the year ended 31 March 2008

1. INTRODUCTION

- 1.1 The trustees are pleased to present their annual report for Alexandra Park and Palace Charitable Trust ("the Trust"), together with the Trust's consolidated financial statements, for the year ended 31 March 2008, prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005), applicable UK accounting standards and the Companies Act 1985. In a change of accounting policy, the trustees have resolved to formally adopt FRS 17 'Retirement benefits' in the financial year ended 31 March 2008. The impact of this is discussed further in Note 19 to the financial statements.

2. REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

Trustees

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

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

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3. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing Document

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

The Governing Body and Appointment of Trustees

- 3.3 The Council of the London Borough of Haringey is trustee of the Trust. The Council delegates the entire function of trustee to the Alexandra Park and Palace Board. The Council annually elects individual members to sit on the Alexandra Park and Palace Board to act as the charity trustees. The appointments reflect the political balance of the Council. The Charity trustees are those persons having the general control and management of the administration of the Trust.
- 3.4 The charity trustees are members of the Council but must act exclusively in the best interests of the Trust when dealing with Trust matters. The Council may elect different charity trustees each municipal year. However, all charity trustees step down for the local government elections. Those re-elected may be re-appointed at the annual general meeting of the Council held in May of each year.
- 3.5 In addition, three members of the Consultative Committee sit on the Board each year but those appointed are not charity trustees and do not have any voting powers. For the year ended 31 March 2008 they were:
- Mrs Val Paley
Mr Mike Tarpey
Mr Nigel Willmott
- 3.6 The Chair of the Statutory Advisory Committee (see paragraph 3.12) also formally attends the Board meetings in an observer capacity. For the year ended 31 March 2008 it was Mr David Liebeck.
- 3.7 The London Borough of Haringey has been advised by Leading Counsel that the Trust 'is a function of the Council' as defined in Section 101 of the Local Government Act 1972. The Trust is therefore subject to the full range of local government legislation by virtue of this advice in addition to the specific charity legislation.

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Trustee Induction and Training

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

Organisational Management

- 3.9 The Alexandra Park & Palace Board ("the Board") meet as charity trustees to consider matters of policy, strategy and objectives. The charity trustees hold a set programme of meetings each year. Other special meetings may be called from time to time. During the year ended 31 March 2008 the Board held 4 ordinary meetings together with 5 special meetings which focused on the outcome of the search for an investment partner (see paragraph 4.6).

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

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

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

The Board also appoints a panel of members to consider matters of urgency. The panel met on 1 occasion during the financial year.

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

The Statutory Advisory Committee

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

The powers and duties of the Advisory Committee shall be to promote the objects of the Trust and assist the trustees in fulfilling the trusts by considering and advising the trustees on the following matters:

1. *The general policy relating to the activities and events arranged or permitted in the Park and Palace;*
2. *The effects of such activities and events on the local inhabitants and local environment;*
3. *The frequency of activities and events attracting more than 10,000 people at any one time and the maximum number to be permitted on such occasions;*
4. *The adequacy of car parking arrangements within the Park and Palace so as to avoid overflow into adjoining residential streets;*
5. *Any proposals which require planning permission;*
6. *The establishment and maintenance of the Park as a Metropolitan Park; and*

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

The Consultative Committee

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

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

Group Structure and Relationships

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

Risk Management

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

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

3.16 The system of internal financial control is based on a framework of regular management information, administrative procedures, including the segregation of duties, and a system of delegation and accountability. In particular it includes:

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

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

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

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Volunteers

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

4. OBJECTS AND ACTIVITIES

Charitable Objects

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

Activities

- 4.2 The Trust's core areas of activity include:
- a) The provision and maintenance of the park;
 - b) The establishment and replacement of park footpaths and trails, the provision of a nature/wildlife conservation area, the planting of arboreta, ornamental flowerbeds and rose gardens, upkeep and improvement to a boating lake, children's zoo, children's play area, a pitch and putt course, a skateboard park, cricket pitches, football fields and associated car parking;
 - c) The provision of the ice-skating rink (undertaken through the trading subsidiary during the year) and its associated activities which include pantomimes on ice and ice discos;
 - d) The provision of free outdoor events, including bonfire night fireworks display, school tours, and other entertainment, a bicycle trail, together with children's funfairs, bank holiday funfairs and the provision of displays and mini exhibitions; and
 - e) The continued expenditure on the Victorian building, including the original theatre and organ; the original high definition television studios and the maintenance of areas within the Palace to provide a safe environment for users.

Achievements for the year

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

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Achievements for the year (continued)

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

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

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

Other developments during the year

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

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5. FINANCIAL REVIEW

5.1 The charity continues to benefit from substantial funding from its corporate trustee, London Borough of Haringey. All the available net revenue income is directed toward the provision and maintenance of the assets, namely the 196 acres of parkland and the Grade II listed Victorian property. The charity does not have any capital reserves or alternative sources of funding and has not therefore considered it necessary to develop a formal reserves policy. Trust expenditure is guided by the basic objects of the Trust and aimed toward maximising public benefit from the provision of the Palace and Park. The decisions on items of expenditure are made with independent professional advice, where necessary, in the overall context of the available budget.

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing financial support of the corporate trustee. It is the Council's current policy to continue to provide funding to the Alexandra Park and Palace Charitable Trust until such time as the support of the Council is no longer required. The Council has confirmed in writing that it has considered and approved within its budgets for 2008/09 sufficient funding, including ongoing revenue support, for the Trust.

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

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

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

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

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

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

5.2 In addition there is a cumulative sum of £37.3 million representing cumulative operating deficits of £20 million and associated accumulated interest charges of £17.3 million for the years 1989-2004.

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

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Statement of trustees' responsibilities

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

United Kingdom charity law requires the trustees to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the Group and of the financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

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

Future Plans

- 5.4 During the coming year, the Trustees plan to consider the various strategic options available for dealing with the dereliction of the main building and decide on the future strategic direction of the charity.

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

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

Related Parties

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

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Permanent advisers and other relevant bodies

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

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

Auditors

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

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

Councillor Patrick Egan
Chair of the Board of Trustees

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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

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

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

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

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

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

Basis of audit opinion

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

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

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

Opinion

In our opinion:

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

Deloitte LLP

Chartered Accountants and Registered Auditors

London

Date

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ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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

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

The notes on pages 16 to 34 form an integral part of these financial statements. All of the above amounts are derived from continuing activities. There were no other recognised gains or losses in either year except for those dealt with above.

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

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

The notes on pages 16 to 34 form an integral part of these financial statements. All of the above amounts are derived from continuing activities. There were no other recognised gains or losses in either year except for those dealt with above.

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Consolidated and Trust Balance Sheets as at 31 March 2008

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

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

Councillor Patrick Egan

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

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Consolidated Cash Flow Statement for the year ended 31 March 2008

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

Note to the consolidated cash flow statement

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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

1. Basis of accounting

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

Changes in accounting policy

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

2. Accounting policies

(a) Basis of consolidation

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

(b) Fund accounting and permanent endowment

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

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

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

(c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. The financial statements therefore reflect income due to the Trust but not received by the end of the year. Funds received for the purchase of fixed assets are accounted for as restricted income.

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

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

(d) Resources expended and the allocation of expenditure

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

2. Accounting policies (continued)

(d) Resources expended and the allocation of expenditure (continued)

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

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

(e) Investments

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

(f) Valuation of fixed assets

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

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

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

(g) Valuation of stock

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

(h) Bank account

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

(i) Provision

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 2007/2008. Haringey Council may also be entitled to indemnification for the years 1988/89 to 1990/91, and this amount has also been provided for in the accounts.

Both of these amounts include interest charged for the outstanding revenue deficits at the Council's Loan Pool Rate, up to 2004/05. No interest was charged in 2005/2006, 2006/2007 nor in 2007/2008 as the Council has now written off that the debt in its accounts. However, as disclosed in the London Borough of Haringey accounts, the Council has not discharged this debt on the basis that it will still collect should the trust be in a position in the future to fully or partially repay. On this basis the trustees have continued to carry the liability in the trust's accounts.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

2. Accounting policies (continued)

(j) Related party transactions

Because of the close and unique relationship between Haringey Council and Alexandra Park and Palace, there are a significant number of transactions between the two parties. The extent of this relationship is detailed in Note 18 to the financial statements.

(k) Leased assets

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

(l) Pension contributions

The Group operates a defined benefit pension scheme on behalf of certain employees of Alexandra Palace Trading Limited. The scheme is administered by Haringey Council, although the pension funds relating to the APTL employees are held in a separately managed pool within the overall Haringey scheme. The deficit on the scheme is included within the balance sheet at 31 March 2008.

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

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

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

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

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

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

3. Voluntary income

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

4. Activities for generating funds

	2008	2007
	£	£
Group		
Income from events	1,550,935	4,161,871
Income from Phoenix public house	162,998	475,856
	<u>1,713,933</u>	<u>4,637,727</u>
Trust only		
Deed of covenant from subsidiary	713,000	660,885

5. Incoming resources from charitable activities

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

6. Investment income

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

7. Analysis of total resources expended

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

8. Support costs

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

9. Deficit on current year activities

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

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

10. Analysis of costs by activity GROUP

Costs directly allocated to activities	Basis of allocation	Other £	Ice Risk £	Security of building and park £	Community Events £	Leases and Concessions £	Repairs and maintenance £	Governance £	Total 2008 £	Total 2007 (Restated) £
Expenditure of trading subsidiary	Direct	1,328,098	-	-	-	-	-	28,000	1,356,098	3,966,949
Salaries	Direct	-	221,262	410,104	-	138,727	736,459	-	1,496,552	1,532,020
Professional fees	Direct	-	2,598	-	-	4,675	-	30,000	149,091	82,319
Parks lottery expenditure	Direct	-	-	-	-	-	307,038	-	307,038	1,201,662
Overheads	Direct	-	168,024	401	114,946	42,374	725,987	-	1,051,732	1,117,319
Audit fees	Direct	-	-	-	-	-	-	18,000	18,000	20,500
Direct costs	Direct	-	2,630	-	-	-	795	-	3,425	31,152
Total direct costs		1,328,098	394,514	410,505	114,946	185,776	1,872,097	76,000	4,381,936	7,951,921
Support costs allocated to activities										
General office and finance support staff	Staff time & area average	-	-	-	-	-	-	17,792	17,792	19,408
Apportioned overhead cost	Staff time & area average	-	172,922	307,395	15,636	23,018	331,229	-	850,200	399,966
Apportioned support and overhead cost	Staff time & area average	-	102,098	68,065	5,672	4,254	196,317	-	376,406	515,776
Total support costs		0	275,020	375,460	21,308	27,272	527,546	17,792	1,244,398	935,150
Total for Group		1,328,098	669,534	785,965	136,254	213,048	2,399,643	93,792	5,626,334	8,887,071

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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

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

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

11. Staff costs

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

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

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

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

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

12. Taxation

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

13. Tangible fixed assets

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

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

14. Fixed asset investments

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

A LEXANDRA PARK AND PALACE CHARITABLE TRUST

14. Fixed asset investments (continued)

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

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

Alexandra Palace Trading Limited retained £3,900 of its profit this year with the remainder being gift aided to Alexandra Park & Palace Charitable Trust. The net income attributable to the group is consolidated on a line by line basis in the consolidated statement of financial activities. A summary of the results is shown below:

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

A LEXANDRA PARK AND PALACE CHARITABLE TRUST

15. Stock

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

not noted

16. Debtors

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

17. Creditors: amount falling due within one year

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

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

18. Provision

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

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

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

Due to the nature of the relationship between the Trust and Haringey Council there are a number of significant related party transactions. These amounts are consolidated into the Trust's financial statements. However, due to the unique nature and structure of the relationship it is thought appropriate to disclose these items: central administration of £Nil (2007: £30,000); entertainment licences of £43,419 (2007: £46,104); public liability insurance £36,303 (2007: £34,574); provision of park patrol service £34,460 (2007: £33,620); legal expense £977 (2007: £1,625); printing and other sundry items of £2,250 (2007: £3,654).

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

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

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

18. Provision (continued)

1. This is the amount which the Attorney General has agreed that Haringey Council is entitled to, in respect of expenditure incurred from operational deficits in the financial years 1991/92 to 1994/95.
2. This is the amount relating to the operational deficits for 1995/96 to 2007/08 which the Attorney General has agreed in principle that Haringey Council is entitled to. The final value has yet to be formally agreed. (The operational deficit is calculated as the deficit for the year before interest and the increase in working capital in the year).
3. Haringey Council may also be entitled to indemnification for the operational deficits from 1988/89 to 1990/91, so this amount has also been provided for.

19. Accumulated unrestricted funds

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

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

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

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

Balance Sheet

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

20. Restricted funds

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

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

21. Total funds

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

22. Audit fees

The Charity Commission requires the Board to appoint an independent Registered Auditor to carry out a full statutory audit of the financial statements. The audit fee for the year was £42,750 (2007: £46,000).

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

A LEXANDRA PARK AND PALACE CHARITABLE TRUST

23. Pension scheme Trust:

(a) Defined benefit scheme

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

The Fund is independently valued every three years by a firm of actuaries to assess the adequacy of the Fund's investments and contributions to meet its liability. The last triennial valuation took place as at 31 March 2007. The last triennial actuarial valuation was carried out in accordance with Guidelines GN9: Retirement Benefit Schemes - Actuarial reports published by the Institute of Actuaries and the Faculty of Actuaries. The last actuarial valuation was carried out using the Projected Unit Method.

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

		Nominal % per annum
Rate of investment – equities	7.70%	per annum compound
Rate of investment – bonds	5.70%	per annum compound
Rate of investment – property	5.70%	per annum compound
Rate of investment – cash	4.80%	per annum compound
Rate of pensionable salary increases (excl. increments)	5.10%	per annum compound
Rate of price inflation/pensions increases	3.60%	per annum compound
Discount rate	6.90%	per annum compound

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

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

Trading company:

(b) Defined benefit scheme

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

23. Pension scheme (continued)

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

The actuarial valuation described above has been updated at 31 March 2008 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value.

The major assumptions used for the actuarial valuation were:

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

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

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

A LEXANDRA PARK AND PALACE CHARITABLE TRUST

23. Pension scheme (continued)

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

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

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

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

Analysis of movement in the pension scheme liability during the year

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

23. Pension scheme (continued)

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

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

23. Pension scheme (continued)

(c) Stakeholder personal pension scheme

For new employees to the trading company since 1 September 1999, the trading company has established a stakeholder pension and contributes personal pension contributions into this scheme. The employer's contribution is 10% of salary and the pension contribution for the year was £17,903 (2007: £26,264).

24. Contingent Liability

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