



5.2 Comparisons of actual to budget results for the 8 month period (Appendix 1) shows that overall net income was £781K compared to a budget of £666 K i.e. an increase of £115K (17.3%). This is commented in details as follows:

- Concession/ Leases: the adverse variance is not material when compared to the budgeted amount for the same period (4.3%) and can be attributed at this stage to a slight over estimating of budgeted income or phasing of this income within the budget period.
- Net Ice Rink income: Comparison of net actual £499K with net budget of £402K shows a favourable variance of £97K which is a gain of 24.1% on budget. Clearly this reflects an initial out performance of the budget further improved when the shrinkage in income anticipated in the budget by the 3 week closure of the ice rink to conduct repairs did not have the impact that was envisaged.
- Grants : The favourable variance arising is £15K and is due as previously reported to unbudgeted restricted grants of £10,000 from the Environment Agency for improvements to the lake and £5,000 from English Heritage.
- Sundry Income: Again the £6K variance is as previously reported and mainly attributable to the receipt of insurance monies for the Great Hall lining claim.

5.3 Payroll and contracted services for the period show a saving of £16K over budget (1.5%). In more detail this can be analysed as follows:

- Salaries: This shows a saving of 40K for the period (13.5%) i.e. £296K compared to £256K. This is the result of vacancies in the ice rink and community events.
- Wages/casuals : An adverse variance of £8K (7.3%) arises for the period when the actual of £117K is compared to the budget of £109K arising mainly from the need to fill the vacancies in the ice rink with casual staff.
- Contracted services: This shows an increase over budget of £16K (2.4%) arising from the security budget and the parks budget.
- Fixed overheads show an adverse variance of £13K for the period representing 4.9% of the budget £265K. This is mainly attributable to legal and insurance costs with savings in the other areas.
- Variable overheads show a favourable variance of £117K which represents 12.3% of the budgeted figure for the period of £972K. This is mainly due to rigorous scrutiny of proposed expenditure on repairs and maintenance in the light of the potential to lease the building. A budget cost of £451K for the 8 month period compares with an actual cost of £349K i.e. a saving of £102 (22.6%).
- Development costs are up and for the 8 month period an adverse variance of £159K arises which is an increase of 47.7%. However the original budget did not account for these costs.

5.4 The four months budget figures in the 12 months forecast (**Appendix 2**) have been revised upwards to reflect the market price increases in electricity and gas, the relevant revisions being £20K and £12K respectively. On the same theme the 12 months forecast has also been increased by £20K in respect of security costs but a reduction in repairs and maintenance of £40K has been reflected. The net effect of these revisions is

to increase the overall costs within the 12 month forecast by £12K although the overall result still shows a favourable variance of £223K.

5.5 This Appendix includes a line for the estimated deed of covenant from Alexandra Palace Trading Limited. The forecast position is that the profit will be £1.100M being £100,000 less than the budget. However there are a number of factors which could impact on the covenanted profit including an increase in bad debt provision.

5.6 The overall consolidated result is therefore anticipated as a deficit of £1,077,000 against the budget of £1,200,000, a favourable variance of £123,000.

5.7 **Capital:**

At the end of November 2005, the capital expenditure amounted to £127,560 out of the budget of £300,000 for the year. It is anticipated at this stage that only £140,000 of the £300,000 will be spent by the end of the year.

5.8 **Lottery Fund:**

The progress and expenditure on the lottery will be presented by the Parks Manager in a separate report, expenditure incurred as at the end of November amounted to £530,804

6.1 **Financial Implications/Comment**

6.1 A copy of this report has been sent to the Director of Finance

7. **Legal Implications/Comment**

7.1 The Trust's Solicitor has been sent a copy of this report.

8. **Equal Opportunities Implications**

8.1 There are no perceived equal opportunities implications in this report.