

**Appendix 1 - For Information Only**

**ALEXANDRA PARK AND PALACE 2008/09**

## Consolidated Statement of Financial Activities for the year ended 31 March 2009

		Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
	Note	£	£	£	£
<b>Incoming resources:</b>					
Incoming resources from generated funds					
Voluntary income	3	365	840	1,205	606,638
Activities for generating funds	4	5,494,857	-	5,494,857	1,713,933
Incoming resources from charitable activities	5	221,113	-	221,113	285,920
Investment income	6	59,958	-	59,958	59,065
Other incoming resources		741	-	741	80
<b>Total incoming resources</b>		<b>5,777,034</b>	<b>840</b>	<b>5,777,874</b>	<b>2,665,636</b>
<b>Resources expended:</b>					
Cost of generating funds					
Fundraising Trading cost of goods sold and other costs		4,960,933	-	4,960,933	1,328,098
Charitable activities		2,730,258	-	2,730,258	4,204,444
Governance costs		101,006	-	101,006	93,792
<b>Total Resources expended</b>	<b>7</b>	<b>7,792,197</b>	<b>0</b>	<b>7,792,197</b>	<b>5,626,334</b>
<b>Net outgoing resources before other recognised gains</b>		<b>(2,015,163)</b>	<b>840</b>	<b>(2,014,323)</b>	<b>(2,960,698)</b>
<b>Actuarial gains on pension scheme</b>		<b>(275,000)</b>	<b>-</b>	<b>(275,000)</b>	<b>80,000</b>
<b>Net movement in funds</b>		<b>(2,290,163)</b>	<b>840</b>	<b>(2,289,323)</b>	<b>(2,880,698)</b>
Opening deficit fund balance 1 April		(36,428,766)	39,374	(36,389,392)	(33,206,694)
Prior year adjustment	19	-	-	-	(302,000)
Opening deficit fund restated		(36,428,766)	39,374	(36,389,392)	(33,508,694)
<b>Closing deficit fund balance</b>	<b>21</b>	<b>(38,718,929)</b>	<b>40,214</b>	<b>(38,678,715)</b>	<b>(36,389,392)</b>

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

## Trust Statement of Financial Activities for the year ended 31 March 2009

	Note	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
<b>Incoming resources:</b>					
Incoming resources from generated funds					
Voluntary income	3	365	840	1,205	306,638
Activities for generating funds	4	584,700	-	584,700	713,000
Incoming resources from charitable activities					
	5	221,113	-	221,113	285,920
Other incoming resources		741	-	741	80
<b>Total incoming resources</b>		<b>806,919</b>	<b>840</b>	<b>807,759</b>	<b>1,305,638</b>
<b>Resources expended:</b>					
Charitable activities		2,730,258	-	2,730,258	4,204,444
Governance costs		92,406	-	92,406	65,792
<b>Total Resources expended</b>	7	<b>2,822,664</b>	<b>0</b>	<b>2,822,664</b>	<b>4,270,236</b>
<b>Net (outgoing)/incoming resources</b>		<b>(2,015,745)</b>	<b>840</b>	<b>(2,014,905)</b>	<b>(2,964,598)</b>
Opening deficit fund balance 1 April		(36,221,883)	39,374	(36,182,509)	(33,217,911)
<b>Closing deficit fund balance as at 31 March</b>	21	<b>(38,237,628)</b>	<b>40,214</b>	<b>(38,197,414)</b>	<b>(36,182,509)</b>

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

## Consolidated and Trust Balance Sheets as at 31 March 2009

		Group 2009	Group 2008	Trust 2009	Trust 2008
	Note No.	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13	429,827	490,472	425,571	484,798
Investments	14	-	-	2	2
		<b>429,827</b>	<b>490,472</b>	<b>425,573</b>	<b>484,800</b>
<b>Current assets</b>					
Stocks	15	71,666	69,444	-	-
Debtors	16	1,011,217	819,090	934,114	1,143,393
Cash at bank and in hand		1,254,555	1,792,575	182,119	300
		<b>2,337,438</b>	<b>2,681,109</b>	<b>1,116,233</b>	<b>1,143,693</b>
<b>Creditors</b>					
Amount falling due within one year	17	(1,929,331)	(2,105,055)	(621,571)	(447,084)
<b>Net current assets</b>		<b>408,107</b>	<b>576,054</b>	<b>494,662</b>	<b>696,609</b>
Total assets less current liabilities		<b>837,934</b>	<b>1,066,526</b>	<b>920,235</b>	<b>1,181,409</b>
Provision	18	(39,117,649)	(37,363,918)	(39,117,649)	(37,363,918)
<b>Net Liabilities excluding pension scheme liability</b>		<b>(38,279,715)</b>	<b>(36,297,392)</b>	<b>(38,197,414)</b>	<b>(36,182,509)</b>
Defined benefit pension scheme liability	23	(399,000)	(92,000)	-	-
<b>Net Liabilities including pension scheme liability</b>		<b>(38,678,715)</b>	<b>(36,389,392)</b>	<b>(38,197,414)</b>	<b>(36,182,509)</b>
<b>Accumulated Funds</b>					
Unrestricted deficit funds	19	(38,319,929)	(36,336,766)	(38,237,628)	(36,221,883)
Pension reserve		(399,000)	(92,000)	-	-
		<b>(38,718,929)</b>	<b>(36,428,766)</b>	<b>(38,237,628)</b>	<b>(36,221,883)</b>
Restricted Funds	20	40,214	39,374	40,214	39,374
<b>Total Funds</b>		<b>(38,678,715)</b>	<b>(36,389,392)</b>	<b>(38,197,414)</b>	<b>(36,182,509)</b>

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

**Councillor Patrick Egan**

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

## Consolidated Cash Flow Statement for the year ended 31 March 2009

	Group 2009	Group 2008
	£	£
Net cash inflow/(outflow) from operating activities	(549,958)	704,038
<b>Returns on investments</b>		
Interest received	59,958	59,065
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(48,020)	(29,527)
<b>Increase/(decrease) in cash</b>	<b>(538,020)</b>	<b>733,576</b>
Cash at 1 April	1,792,575	1,058,999
<b>Cash at 31 March</b>	<b>1,254,555</b>	<b>1,792,575</b>

### Note to the consolidated cash flow statement

	Group 2009	Group 2008
	£	£
<b>Reconciliation of net outgoing resources to net cash inflow from operating activities</b>		
Net outgoing resources before other recognised gains	(2,014,323)	(2,960,698)
Depreciation	108,665	111,463
Charges in excess of pension contributions	32,000	(130,000)
Interest receivable	(59,958)	(59,065)
(Increase)/decrease in stocks	(2,222)	53,416
Increase in debtors	(192,127)	(107,379)
(Decrease)/increase in creditors	(175,724)	1,006,616
Increase in provision	1,753,731	2,789,685
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(549,958)</b>	<b>704,038</b>

## Notes to the Financial Statements for the year ended 31 March 2009

### 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.

### 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.

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.

## 2. Accounting policies (continued)

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

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 realisable 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 2008/2009. 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 2008/2009 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.

## **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 2009.

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 small unrestricted and restricted donations to the Trust. Voluntary income in 2008 included amounts received from the Heritage Lottery Grant (£229,783) and from the London Borough of Haringey (£76,855) for major works to the park.



#### 4. Activities for generating funds

	2009	2008
	£	£
<b>Group</b>		
Income from events	3,909,616	1,263,480
Income from the ice rink	1,121,342	287,455
Income from Phoenix public house	463,899	162,998
	<b>5,494,857</b>	<b>1,713,933</b>
<b>Trust only</b>		
Gift aid payment from subsidiary	435,000	713,000
Licence fee	149,700	-
	<b>584,700</b>	<b>713,000</b>

#### 5. Incoming resources from charitable activities

	2008	2007
	£	£
<b>Group and Trust</b>		
Ice rink	-	108,426
Community events	41,895	47,139
Leases and concessions	179,218	130,355
	<b>221,113</b>	<b>285,920</b>

#### 6. Investment income

	2009	2008
	£	£
<b>Group</b>		
Bank interest	59,958	43,065
Net return on pension scheme	-	16,000
	<b>59,958</b>	<b>59,065</b>

## 7. Analysis of total resources expended

### Group

	Direct costs	Support costs	2009 Total	2008 Total
	£	£	£	£
<b>Costs of generating fund</b>				
Expenditure of trading subsidiary	4,960,933	-	<b>4,960,933</b>	1,328,098
<b>Charitable expenditure</b>				
Ice Rink	-	-	-	669,534
Community events	120,013	8,951	<b>128,964</b>	136,254
Leases and concessions	163	12,697	<b>12,860</b>	213,048
Repairs and maintenance of building/park	1,528,897	285,598	<b>1,814,495</b>	2,399,643
Security of building/park	512,654	261,286	<b>773,940</b>	785,965
	<b>2,161,727</b>	<b>568,532</b>	<b>2,730,259</b>	<b>4,204,444</b>
<b>Governance costs</b>				
Wages and salaries	-	14,624	<b>14,624</b>	17,792
Professional fees	56,881	-	<b>56,881</b>	33,250
Audit fee	29,500	-	<b>29,500</b>	42,750
	<b>86,381</b>	<b>14,624</b>	<b>101,005</b>	<b>93,792</b>
<b>Total for Group</b>	<b>7,209,041</b>	<b>583,156</b>	<b>7,792,197</b>	<b>5,626,334</b>

### Trust Only

	Direct costs	Support costs	2009 Total	2008 Total
	£	£	£	£
<b>Charitable expenditure</b>				
Ice Rink	-	-	-	669,534
Community events	120,013	8,951	<b>128,964</b>	136,254
Leases and concessions	163	12,697	<b>12,860</b>	213,048
Repairs and maintenance of building/park	1,528,897	285,598	<b>1,814,495</b>	2,399,643
Security of building/park	512,654	261,286	<b>773,940</b>	785,965
	<b>2,161,727</b>	<b>568,532</b>	<b>2,730,259</b>	<b>4,204,444</b>
<b>Governance Costs</b>				
Wages and salaries	-	14,624	<b>14,624</b>	17,792
Professional fees	56,881	-	<b>56,881</b>	30,000
Audit fee	20,900	-	<b>20,900</b>	18,000
	<b>77,781</b>	<b>14,624</b>	<b>92,405</b>	<b>65,792</b>
<b>Total for Trust</b>	<b>2,239,508</b>	<b>583,156</b>	<b>2,822,664</b>	<b>4,270,236</b>

**8. Support costs**

	<b>2009</b>	2008
	<b>£</b>	<b>£</b>
<b>Group and Trust</b>		
Wages and salaries	169,288	686,184
Overheads	413,868	558,214
	<b>583,156</b>	<b>1,244,398</b>

**9. Deficit on current year activities**

	<b>Group</b>	Group
	<b>2009</b>	2008
	<b>£</b>	<b>£</b>
Operating deficit is stated after charging:		
Auditors' remuneration: audit fee	39,400	42,750
Auditors' remuneration: other	3,250	3,250
Operating lease rentals - land and buildings	42,092	35,896
Operating lease rentals - vehicles	-	3,585
Depreciation	108,665	111,463

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).

## 10. Analysis of costs by activity

### GROUP

Costs directly allocated to activities	Basis of allocation	Other £	Security of building and park £	Community Events £	Leases and Concessions £	Repairs and maintenance £	Governance £	Total 2009 £	Total 2008 £
Expenditure of trading subsidiary	Direct	4,960,933	-	-	-	-	8,600	4,969,533	1,356,098
Salaries	Direct	-	512,654	-	163	681,144	-	1,193,961	1,496,552
Professional fees	Direct	-	-	-	-	12,331	46,824	59,155	149,091
Parks lottery expenditure	Direct	-	-	-	-	-	-	0	307,038
Overheads	Direct	-	-	120,013	-	835,422	10,057	965,492	1,051,732
Audit fees	Direct	-	-	-	-	-	20,900	20,900	18,000
Direct costs	Direct	-	-	-	-	-	-	0	3,425
<b>Total direct costs</b>		<b>4,960,933</b>	<b>512,654</b>	<b>120,013</b>	<b>163</b>	<b>1,528,897</b>	<b>86,381</b>	<b>7,209,041</b>	<b>4,381,936</b>
<b>Support costs allocated to activities</b>									
General office and finance support staff	Staff time & area average	-	69,688	1,828	3,910	73,758	14,624	163,808	17,792
Apportioned overhead cost	Staff time & area average	-	55,676	1,460	3,124	58,927	-	119,187	850,200
Apportioned support and overhead cost	Staff time & area average	-	135,922	5,663	5,663	152,913	-	300,161	376,406
<b>Total support costs</b>		<b>0</b>	<b>261,286</b>	<b>8,951</b>	<b>12,697</b>	<b>285,598</b>	<b>14,624</b>	<b>583,156</b>	<b>1,244,398</b>
<b>Total for Group</b>		<b>4,960,933</b>	<b>773,940</b>	<b>128,964</b>	<b>12,860</b>	<b>1,814,495</b>	<b>101,005</b>	<b>7,792,197</b>	<b>5,626,334</b>

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

## 10. Analysis of costs by activity

(continued)

### TRUST ONLY

Costs directly allocated to activities	Basis of allocation	Security of	Community	Leases and	Repairs and	Governance	Total 2009	Total 2008
		building and park	Events	Concessions	maintenance			
		£	£	£	£	£	£	£
Interest payable	Direct	-	-	-	-	-	-	-
Salaries	Direct	512,654	-	163	681,144	-	1,193,961	1,496,552
Professional fees	Direct	-	-	-	12,331	46,824	59,155	149,091
Parks lottery expenditure	Direct	-	-	-	-	-	-	307,038
Overheads	Direct	-	120,013	-	835,422	10,057	965,492	1,051,732
Audit fees	Direct	-	-	-	-	20,900	20,900	18,000
Direct costs	Direct	-	-	-	-	-	-	3,425
<b>Total direct costs</b>		<b>512,654</b>	<b>120,013</b>	<b>163</b>	<b>1,528,897</b>	<b>77,781</b>	<b>2,239,508</b>	<b>3,025,838</b>
<b>Support costs allocated to activities</b>								
General office and finance support staff	Staff time & area average	69,688	1,828	3,910	73,758	14,624	163,808	17,792
Apportioned overhead cost	Staff time & area average	55,676	1,460	3,124	58,927	-	119,187	850,200
Apportioned support and overhead cost	Staff time & area average	135,922	5,663	5,663	152,913	-	300,161	376,406
<b>Total support costs</b>		<b>261,286</b>	<b>8,951</b>	<b>12,697</b>	<b>285,598</b>	<b>14,624</b>	<b>583,156</b>	<b>1,244,398</b>
<b>Total for Trust</b>		<b>773,940</b>	<b>128,964</b>	<b>12,860</b>	<b>1,814,495</b>	<b>92,405</b>	<b>2,822,664</b>	<b>4,270,236</b>

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

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 11. Staff costs

	<b>Group 2009</b>	Group 2008	<b>Trust 2009</b>	Trust 2008
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	1,270,711	1,280,165	178,116	964,448
Social security costs	108,324	96,061	14,640	67,161
Pension costs	106,866	131,194	35,042	70,291
Agency staff costs	776,095	649,982	5,225	442,852
	<b>2,261,996</b>	<b>2,157,402</b>	<b>233,024</b>	<b>1,544,752</b>

There were no employees whose emoluments as defined for taxation purposes amounted to over £60,000 in 2008 or 2009.

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:

	<b>Group 2009</b>	Group 2008	<b>Trust 2009</b>	Trust 2008
	<b>Number</b>	Number	<b>Number</b>	Number
Ice rink	17 (5)	15 (2)	-	15 (2)
Repairs and maintenance including park	2 (2)	3 (3)	2 (2)	3 (3)
Community events	-	-	-	-
Cost of generating funds	23 (17)	22 (14)	-	-
Support costs	1 (1)	1 (1)	1 (1)	1 (1)
Management and administration	8 (8)	4 (4)	2 (2)	1 (1)
	<b>38 (33)</b>	<b>45 (24)</b>	<b>5 (5)</b>	<b>20 (7)</b>

The ice rink transferred to the trading company in January 2008. The Trust figures for 2008 include ice rink staff employed by the Trust but seconded to the trading company. Of the 17 staff working in the ice rink in 2009, 2 permanent employees and 6 casual staff were employed by the Trust but seconded to the trading company.

## 12. Taxation

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

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 13. Tangible fixed assets

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
	£	£	£	£
<b>Trust only:</b>				
<b>Cost:</b> At 1 April 2008	197,346	483,107	361,340	1,041,793
Additions		2,196	45,824	48,020
<b>At 31 March 2009</b>	<b>197,346</b>	<b>485,303</b>	<b>407,164</b>	<b>1,089,813</b>
<b>Depreciation:</b> At 1 April 2008	78,938	242,872	235,185	556,995
Charge for the year	19,735	48,494	39,018	107,247
<b>At 31 March 2009</b>	<b>98,673</b>	<b>291,366</b>	<b>274,203</b>	<b>664,242</b>
<b>Net Book Value</b>				
At 31 March 2009	<b>98,673</b>	<b>193,937</b>	<b>132,961</b>	<b>425,571</b>
At 31 March 2008	<b>118,408</b>	<b>240,235</b>	<b>126,155</b>	<b>484,798</b>

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
	£	£	£	£
<b>Group</b>				
<b>Cost:</b> At 1 April 2008	197,346	483,107	395,424	1,075,877
Additions	-	2,196	45,824	48,020
<b>At 31 March 2009</b>	<b>197,346</b>	<b>485,303</b>	<b>441,248</b>	<b>1,123,897</b>
<b>Depreciation:</b> At 1 April 2008	78,938	242,872	263,595	585,405
Charge for the year	19,735	48,494	40,436	108,665
<b>At 31 March 2009</b>	<b>98,673</b>	<b>291,366</b>	<b>304,031</b>	<b>694,070</b>
<b>Net book value</b>				
At 31 March 2009	<b>98,673</b>	<b>193,937</b>	<b>137,217</b>	<b>429,827</b>
At 31 March 2008	<b>118,408</b>	<b>240,235</b>	<b>131,829</b>	<b>490,472</b>

## 14. Fixed asset investments

<b>Trust only:</b>	<b>2009</b>	<b>2008</b>
	£	£
Shares in trading subsidiary at 1 April and 31 March	2	2

# ALEXANDRA 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.

Alexandra Palace Trading Limited retained £582 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:

	2009	2008
	£	£
Turnover	5,494,857	2,013,933
Interest income	59,958	43,065
	<b>5,554,815</b>	<b>2,056,998</b>
Cost of sales	(4,447,363)	(1,221,951)
Cost of operating expenses	(671,870)	(118,147)
	<b>(5,119,233)</b>	<b>(1,340,098)</b>
Net income to the group	435,582	716,900
Less: Licence fee to the Trust	-	-
Deed of Covenant/Gift Aid to the Trust	(435,000)	(713,000)
Retained profit	<b>582</b>	<b>3,900</b>
Retained profit brought forward as previously reported	(206,882)	11,218
Prior year adjustment	-	(302,000)
Retained deficit brought forward restated	(206,882)	(290,782)
Actuarial (loss)/gain on pension fund	(275,000)	80,000
Retained deficit carried forward	(481,882)	(206,882)



# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 15. Stock

	<b>Group</b> <b>2009</b>	Group 2008	<b>Trust</b> <b>2009</b>	Trust 2008
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
China and cutlery	-	-	-	-
Food and beverages	71,666	69,444	-	-
Publications and stationery	-	-	-	-
	<b>71,666</b>	<b>69,444</b>	<b>0</b>	<b>0</b>

## 16. Debtors

	<b>Group</b> <b>2009</b>	Group 2008	<b>Trust</b> <b>2009</b>	Trust 2008
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	799,964	697,125	17,085	55,288
Other amounts due from subsidiary undertaking	-	-	362,756	299,448
Deed of covenant/gift aid due from subsidiary undertaking	-	-	435,000	713,000
Other debtors	5,816	11,571	4,198	10,867
Prepayments and accrued income	205,437	110,394	115,075	64,790
	<b>1,011,217</b>	<b>819,090</b>	<b>934,114</b>	<b>1,143,393</b>

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

	<b>Group</b> <b>2009</b>	Group 2008	<b>Trust</b> <b>2009</b>	Trust 2008
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	663,056	422,266	452,483	60,585
Other taxes and social security cost	292,049	74,670	-	2,254
Other creditors	5,686	150	2,750	150
Accruals	332,648	367,721	138,041	134,599
Income in advance	635,892	1,013,339	28,297	22,587
Haringey Council: Bank Account	-	226,909	-	226,909
	<b>1,929,331</b>	<b>2,105,055</b>	<b>621,571</b>	<b>447,084</b>

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

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 18. Provision

	<b>Group 2009</b>	Group 2008	<b>Trust 2009</b>	Trust 2008
	£	£	£	£
Haringey Council: Indemnification	39,117,649	37,363,918	39,117,649	37,363,918
<b>Reconciliation of movement:</b>				
Balance brought forward	37,363,918	34,574,233	37,363,918	34,574,233
Amount charged to SOFA	385,911	444,292	385,911	444,292
Transfer to bank less VAT debtor	1,367,820	2,345,393	1,367,820	2,345,393
Balance carried forward	39,117,649	37,363,918	39,117,649	37,363,918

### 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: general rates of £46,200 (2008: £44,400); entertainment licences of £47,850 (2008: £43,419); public liability insurance £37,210 (2008: £36,303); APTL directors' liability insurance of £18,605 (2008: £18,152) provision of park patrol service £35,322 (2008: £34,460); legal expense £5,018 (2008: £977); printing and other sundry items of £7,989 (2008: £2,250).

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:

	<b>Accumulated Balances</b>	<b>Interest</b>	<b>Total</b>
	£'000	£'000	£'000
Indemnification 1991/92 to 1994/95 (1)	5,005	9,881	14,886
Indemnification 1995/96 to 2008/09 (2)	15,982	4,854	20,836
Provision: 1988/99 to 1990/91 (3)	755	2,641	3,396
	<u>21,742</u>	<u>17,376</u>	<u>39,118</u>

# 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 2008/09 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

	<b>Group 2009</b>	Group 2008	<b>Trust 2009</b>	Trust 2008
<b>Trust deficit funds:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward as previously reported	36,428,766	33,548,468	36,221,883	33,257,685
Deficit in year	2,015,163	2,960,298	2,015,745	2,964,198
Actuarial loss/(gain)	275,000	(80,000)	-	-
Balance carried forward	<u>38,718,929</u>	<u>36,428,766</u>	<u>38,237,628</u>	<u>36,221,883</u>

The above amounts represent the deficit equity of the Trust. The Group figure includes (£481,301) (2008:£15,118) of the trading subsidiary retained profit/losses carried forward.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 20. Restricted funds

	Balance 1 April 2008	Incoming Resources	Expenditure & transfers	Balance 31 Mar 2009
	£	£	£	£
Environment Agency Grant	1,168	-	-	1,168
Organ Appeal Fund	5,776	840	-	6,616
Theatre Fund	232	-	-	232
English Heritage	32,198	-	-	32,198
	<u>39,374</u>	<u>840</u>	<u>0</u>	<u>40,214</u>

The restricted fund balance at 31 March 2009 are represented by cash at bank and in hand of £40,214

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 2009	Group 2008	Trust 2009	Trust 2008
	£	£	£	£
Balance brought forward as previously reported	36,389,392	33,508,694	36,182,509	33,217,911
Deficit in year	2,289,323	2,880,698	2,014,905	2,964,598
Balance carried forward	<u>38,678,715</u>	<u>36,389,392</u>	<u>38,197,414</u>	<u>36,182,509</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 £36,500 (2008: £42,750).

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.

# ALEXANDRA 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 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 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 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:

		<b>Nominal % per annum</b>
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 £45,973 (2008: £70,291). 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.

### 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 (2008: 7) scheme members still in the employment of the trading company as at 31 March 2009. 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 £1.7 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 also paid additional monetary amounts of £119,000 for the year ended 31 March 2007, £125,000 for the year ended 31 March 2008 and £107,000 for the year ended 31 March 2009. The pension contribution for the year was £34,991 (2008: £32,000).

The actuarial valuation described above has been updated at 31 March 2009 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:

	Nominal % per annum compound	
	2009	2008
Price increases	3.10	3.60
Rate of pensionable salary increases (excluding increments)	4.60	5.10
Rate of price inflation/pensions increases	3.10	3.60
Discount rate	6.90	6.90
Expected rate of return on assets	6.20	7.10

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

	Males	Females
Current pensioners	21.5 years	24.4 years
Future pensioners	22.6 years	25.5 years

For the year ended 31 March 2009, the expected return on the above assets was £114,000 (2008: £127,000) less the interest on pension scheme liabilities of £118,000 (2008: £111,000) gives a net return of (£4,000) (2008: £16,000) 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 2009 is £49,000 (2008: £27,000) after deduction of the past and current service cost.

Recognition in the profit and loss account	2009 £'000	2008 £'000
Current Service Cost	31	43
Interest Cost	118	111
Expected Return on employer assets	(114)	(127)
Past service costs	14	-
	<u>49</u>	<u>27</u>

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 23. Pension scheme (continued)

<b>Reconciliation of defined benefit obligation</b>	<b>2009</b>	2008
	<b>£'000</b>	£'000
<b>Opening Defined Benefit Obligation</b>	1,694	2,039
Current service cost	31	43
Interest cost	118	111
Contributions by members	15	14
Actuarial losses	(175)	(475)
Past service costs	14	-
Estimated benefits paid	(39)	(38)
	<u>1,658</u>	<u>1,694</u>

<b>Reconciliation of fair value of employer assets</b>	<b>2009</b>	2008
	<b>£'000</b>	£'000
<b>Opening fair value of employer assets</b>	1,602	1,737
Expected return on assets	114	127
Contributions by members	15	14
Contributions by the employer	17	157
Actuarial losses	(450)	(395)
Benefits paid	(39)	(38)
	<u>1,259</u>	<u>1,602</u>

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

	<b>2009</b>	2008	2007	2006	2005
	<b>£'000</b>	£'000	£'000	£'000	£'000
Fair value of employer assets	1,259	1,602	1,737	1,484	1,058
Present value of defined benefit obligation	(1,658)	(1,694)	(2,039)	(2,028)	(1,643)
Deficit	(399)	(92)	(302)	(544)	(585)
Experience gains/(losses) on assets	(450)	(395)	(5)	194	38
Experience gains/(losses) on liabilities	0	122	(1)	(1)	(16)

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

Analysis of amount recognised in statement of total recognised gains and losses (STRGL):

## 23. Pension scheme (continued)

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

	2009	2008
	£	£
Actuarial (loss)/gain recognised in STRGL	(275,000)	80,000

Analysis of projected amount to be charged to operating profit for the year to 31<sup>st</sup> March 2010:

	31 March 2010	
	£'000	% of pay
Projected current service cost	26	14.1%
Interest on obligation	113	60.8%
Expected return on plan assets	(81)	(43.5%)
	58	31.3%

**(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 £32,793 (2008: £17,903). There are no accrued employer contributions included within the creditors.

## 24. 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.

On 26 May 2009, a detailed response was sent by solicitors acting for the Council as trustee denying any liability. The letter also detailed a claim by the Council as trustee for £414,844 due under an agreement with Firoka dated 4 May 2007.

No reply has been received and no legal proceedings have yet been commenced by either party. No provision has been made in the Trust's accounts for either claim.