



ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD MEETING

19 JULY 2022

Report Title: Financial Update

Report of: Richard Paterson, Director of Finance and Resources

Purpose: This report seeks to inform the Committee of the outturn position of the Group in 2021/22 and the financial outlook of the Group for the current Financial Year.

1. Recommendations

- 1.1 To note the year end position of the Trust for 2021/22.
- 1.2 To consider the draft Budget and make a recommendation to the Trustee Board.

2. 2021/22 FULL YEAR

- 2.1 At the end of March 2022, the Trust finished the year with unrestricted revenue of **£3,288,137** (Budget: £2,527,318) with expenditure of £3,850,038 (Budget: £3,974,107) and an operating unrestricted deficit of **£561,901** (Budget: £1,446,789); an improvement of £884,887 that is largely due to the impact of the 3rd Round of the Culture Recovery Funding received in the year.
- 2.2 This funding was aimed specifically at underpinning operational staff costs and security, but also allowing the Trust to invest in key infrastructure like a new Time and Attendance System, a new HR and Payroll system together with making improvements around the park such as the new paths that will improve the overall safety and the visitor experience. These investments simply would not have been possible without this funding.
- 2.3 Capital funding is as ever, challenging. Last year, the Corporate Trustee provided special grant funding of £858k to support the rewiring of the West Hall and the replacement of Fire Alarms. In addition, they also supported the Trust in securing a Salix loan to invest in energy efficient lighting that will prove to be a critical investment in the Palace as it looks to generate increased revenue and profits in APTL.

Table 1 – 2021/22 Actual Income and Expenditure Summary

	Year 2021/22 Budget £	Year 2021/22 ACTUAL £	Variance to Budget £
Income			
HC Grant - Operational	1,755,000	1,755,000	0
Gift Aid	0	0	0
CRF Round 1	84,210	83,895	-315
CRF Round 3	0	702,000	702,000
Palace APTL Licence	100,000	100,000	0
Donations via fundraising platforms	24,100	23,898	-202
Carparking	297,840	246,807	-51,033
Park Leases and Recharges	193,693	285,602	91,909
Palace Leases and Recharges	72,475	74,774	2,299
Creative Learning	0	16,161	16,161
Total Income	2,527,318	3,288,137	760,819
Expenses			
Running and maintaining the Park	-571,228	-688,865	-117,637
Running and maintaining the Palace	-2,582,104	-2,345,268	236,836
Creative Learning	-4,710	-13,886	-9,176
Strategic Projects	-241,877	-214,844	27,033
Fundraising	-120,422	-107,614	12,808
Strategic Leadership	-266,092	-222,400	43,692
Support Costs	-187,674	-191,107	-3,433
Total Expenses	-3,974,107	-3,783,982	190,125
Transfers		-66,056	-66,056
Surplus/Deficit	-1,446,789	-561,901	884,888

- 2.4 Although finishing the financial year with an unrestricted deficit of £561,901 is not ideal, the Committee should be reassured that the cash balance as at the end of the financial year was still £931k plus an additional £600k for capital and restricted projects.
- 2.5 The majority of variances are mainly positive with the organisation spending less in the run up to the end of the financial year to ensure the best possible financial outcome for the Trust. The overspend in Park Maintenance was fully funded from the Cultural Recovery Fund and is therefore not a problem.

3. 2022/23 Current Position

- 3.1 Due to the economic uncertainty surrounding this financial year, the first two months for the Trust have been reasonably quiet from a financial perspective and income and costs have been at or around budget with the Executive Team keeping a watching brief and not committing significant expenditure.
- 3.2 The outturn position shown below includes the Gift Aid that will be transferred to the Trust this financial year. Significantly, the Gift Aid payment has meant that the additional Grant requested from the Corporate Trustee has been removed. Some working capital may still be required towards the back end of the financial year, but this will be managed closely.
- 3.3 Overall, the Trust is now reporting a revised Budget position with Income of **£3,842,236** and a loss of **£508,984**. See Table 32 below.

Table 2 – Forecast Income and Expenditure Summary

	Year 2021/22 Budget £	Year 2021/22 ACTUAL £	Year 2022/23 Revised Outturn £	Variance to 21/22 ACTUAL £
Income				
HC Grant - Operational	1,755,000	1,755,000	1,755,000	0
Gift Aid	0	0	941,828	941,828
CRF Round 1	84,210	83,895	0	-83,895
CRF Round 3	0	702,000	0	-702,000
Palace APTL Licence	100,000	100,000	200,000	100,000
Donations via fundraising platforms	24,100	23,898	40,000	16,102
Carparking	297,840	246,807	525,000	278,193
Park Leases and Recharges	193,693	285,602	274,153	-11,449
Palace Leases and Recharges	72,475	74,774	106,255	31,481
Creative Learning	0	16,161	0	-16,161
Total Income	2,527,318	3,288,137	3,842,236	554,099
Expenses				
Running and maintaining the Park	-571,228	-688,865	-656,181	32,684
Running and maintaining the Palace	-2,582,104	-2,345,268	-2,820,803	-475,535
Creative Learning	-4,710	-13,886	-12,190	1,696
Strategic Projects	-241,877	-214,844	-248,673	-33,829
Fundraising	-120,422	-107,614	-129,253	-21,639
Strategic Leadership	-266,092	-222,400	-237,031	-14,631
Support Costs	-187,674	-191,107	-247,089	-55,983
Total Expenses	-3,974,107	-3,783,982	-4,351,220	-567,238
Transfers		-66,056		66,056
Surplus/Deficit	-1,446,789	-561,901	-508,984	52,917

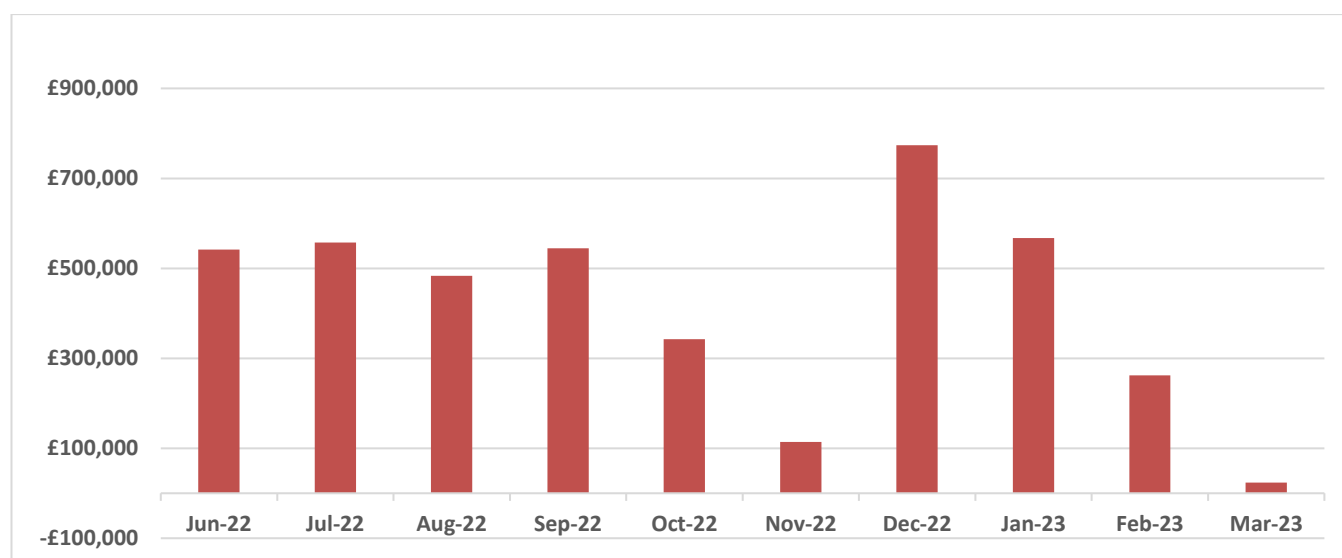
4 CASHFLOW

4.1 Cashflow remains difficult.

4.2 At the time of writing the Trust looks like it does not have a short-term cash need. Cash will need to be closely managed around October/November and then again in March'23 but this should be possible.

4.3 At the end of March'23, the Trust would only have a cash surplus of less than £30k and is a risk that needs to be closely watched.

Table 3 – Cashflow Projection



5. Risks

5.1 The fundamental risks are those that have already touched upon namely, the cost-of-living crisis, energy prices and inflation.

6. Legal Implications

The Council's Assistant Director of Corporate Governance has been consulted in the preparation of this report and has no comments.

7. Financial Implications

The Director of Finance, Haringey Council, notes that the current financial projections indicate that the provisional additional grant request of the corporate trustee is not now required. It is also noted that the current financial climate is difficult for both the Trust and its subsidiary (APTL). The difficult financial climate means that the Trustees and the management of the Trust must be vigilant in monitoring the budget and to take necessary measures should the assumptions underpinning the budget vary and expenditure or income are not as budgeted.