



**ALEXANDRA PARK & PALACE CHARITABLE TRUST**  
**BOARD MEETING**  
**4 NOVEMBER 2024**

**Report Title:** Finance Report

**Report of:** Richard Paterson, Director of Finance and Resources

**Purpose:** This report seeks to inform the Trustees of the current financial performance of the Trust.

**Local Government (Access to Information) Act 1985 - N/A**

**1. Recommendations**

- 1.1 To note the forecasted full year position for the Trust.

**2. Alexandra Park and Palace Charitable Trust**

- 2.1 For the financial year to March 2025, the Trust is forecasting unrestricted revenue of **£5,625,000** (Budget: £5,072,000) with operating expenditure of £5,879,000 (Budget: £5,540,000) and an operating deficit of **£254,000** (Budget: -£468,000); £214,000 better than budgeted.
- 2.2 The financial position is improving as the year progresses and the predicted deficit is forecasted to reduce.
- 2.3 The biggest variance in income occurred through the Gift Aid contribution from the trading subsidiary (paid to the Trust in 2024/25 for FY 2023/24). APTL produced a much improved financial performance in 2023/24 that delivered over £545,000 more in Gift Aid than was originally anticipated.
- 2.4 This year income is starting to deliver the levels of income expected and the forecast is up £53,000 against budget. Other income is slightly down against budget.
- 2.5 Salary and wages costs are expected to be £72,000 below budget.
- 2.6 Other Admin costs are £279,000 higher than budgeted and the main reason for this variance is the North East Office Building. Although the funding received from Historic England was substantial, a condition of the grant is that the Trust funds 15% of the total works and associated professional fees and that is currently forecasted to be £182,000.

**Table 1 – 2024/25 Trust End of Year Forecast**

<b>TRUST</b>	<b>Forecast</b>	<b>2024/25 Budget</b>	<b>Variance</b>
Grants	1,755,000	1,755,000	0
Gift Aid	2,545,333	2,000,000	545,333
Leases	234,633	246,319	(11,686)
AP Licence	300,000	300,000	0
Other Income	83,616	117,380	(33,764)
<b>Turnover</b>	<b>4,918,582</b>	<b>4,418,699</b>	<b>499,883</b>
Car Park Income	666,267	613,501	52,766
Donations	40,369	40,000	369
<b>Total Income</b>	<b>5,625,218</b>	<b>5,072,200</b>	<b>552,649</b>
Cost of Events (Learning / Fundraising)	(13,171)	(16,350)	3,179
Interest Receivable	0	0	0
Salaries & Wages (admin)	(1,311,515)	(1,239,442)	(72,073)
Other Admin Expenses	(4,208,863)	(3,939,053)	(269,811)
Energy Costs	(345,178)	(345,400)	222
<b>Total Overheads</b>	<b>(5,878,728)</b>	<b>(5,540,245)</b>	<b>(338,483)</b>
<b>Surplus / (Deficit)</b>	<b>(253,510)</b>	<b>(468,044)</b>	<b>214,165</b>

### 3. Capital Expenditure

- 3.1 The Trust's current fabric and infrastructure repair backlog is estimated at £30m.
- 3.2 The Corporate Trustee continues to provide the Trust with a general Capital Grant of £470,000.
- 3.3 In addition to the above grant, the Trust has been awarded £2,187,000 for Capital Expenditure for the financial year 2024/25. This covers expenditure on security measures together with critical expenditure where there is a risk to life, injury and compliance.
- 3.4 Projects include:
- (i) A hostile vehicle mitigation system
  - (ii) Emergency lighting upgrades
  - (iii) Additional smoke vent renewals
  - (iv) Additional glazing repairs
  - (v) Improved perimeter/security fencing
  - (vi) Structural emergency works required Emergency Exit bridge Great Hall, Public Foot Bridge Park
  - (vii) Renewal of fire staircases and roof access
  - (viii) Renewal of steps into the park

#### **4. Cashflow**

- 4.1 The financial projections shown above for both Trust and APTL have an impact on cashflow. In particular, the cash position of Trust improves greatly with the additional £545,000 in predicted Gift Aid.
- 4.2 The outline cashflow for Trust and APTL is shown in Appendix 1 below. At this stage, it is not anticipated that APTL will have a significant cash issue between now and the end of the financial year but this will need to be monitored regularly. The improved financial performance will have a material positive impact on cash balances.
- 4.3 The Trust is still in a difficult period with regards to cash but due to the forecasted improvements, cashflow isn't as challenging as presented previously but work is still required to ensure it is in a position to pay all its debts in the financial year.

#### **5. Risks**

- 5.1 The risks are largely unchanged since the last meeting and include:
- (i) Cost of living crisis and the impact this will have on consumer confidence, ticket sales and spend per head.
  - (ii) Energy costs increase beyond the levels being forecasted.
  - (iii) Ongoing inflationary pressures and the impact this will have on suppliers and the cost base.
  - (iv) Recruitment and retention of staff if the Group is unable to afford reasonable pay increases.
  - (v) Recruitment and retention of casual workers given the difficulties seen in the sector.
  - (vi) Capital funding not at the levels required to ensure investment into the building, park and core infrastructure is maintained. Nor will it enable the major infrastructure programmes planned to be started.

#### **6. Legal Implications**

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

#### **7. Financial Implications**

The Council's Chief Financial Officer has been consulted in the preparation of this report. The continued improvement in the Trust's position is welcomed as is the trading position of APTL. Continued focus on reducing expenditure and increasing income is also welcome.

#### **8. Appendices: Appendix 1 – Cashflow**

**APPENDIX 1**

Cashflow for Trust (including energy uplift and pay award)

