ALEXANDRA PARK AND PALACE CHARITABLE TRUST BOARD
Agenda Item 11

30th July 2026

Report Title: Finance Report

Report of: Niki Cornwell, Interim Finance Director

Purpose: To present the 2026/27 forecast against budget for Alexandra Park and Palace Charitable Trust.

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

1. Recommendations

To note the 2026/27 forecast against budget.

To request that Trustees approve the current forecast as the revised budget, to be used for the remainder of the year.

2. Introduction

2.1 Like many charities operating in the cultural, heritage and hospitality sectors, Alexandra Park and Palace Charitable Trust is encountering several significant challenges. These include economic uncertainty, rising operational costs and increasing pressures within the labour market. Collectively, these factors create difficulties in maintaining a balanced budget for the Trust while also striving to grow the profit margin (Gift Aid) within the trading company.

2.2 Across all the sectors in which we operate, we are vulnerable to external shocks, such as war impacting utilities and supply chains, and climate change, which we are experiencing first hand across the estate through adverse weather conditions, event cancellations, low f footfall and shorter dwell time/reduced spend.

2.3 The competitor landscape across all the Trust’s subsidiaries — Food & Beverage, Events, Theatre and Ice Rink — continues to grow and strengthen. Additionally, evolving customer, client, visitor and stakeholder expectations, particularly regarding sustainability and digital experiences, require significant investment in innovation.

2.4 Adapting to these challenges requires discipline and focus on our Strategic Vision and Goals, exemplary strategic planning, digital transformation, and a strong policy for f fundraising and support. These are set out in the Trust’s Vision, Goals and Operational Business Plan.

3. Vision, Mission, Purpose, Goals & Values

3.1 When preparing the annual budgets, APPCT adheres to its established strategic framework, as outlined below at a high level.

3.2 Our Vision is to create “A Sustainable Home For All That We Do”, enabling everyone to experience inspirational culture, world-class entertainment, unique heritage, life-enriching creative and educational opportunities, and restorative green space. Forever.

3.3 Our Mission, as set out in our 1985 Act of Parliament, is “To Repair, Maintain, Restore for the enjoyment of the public”.

3.4 Our Purpose is to “Enrich lives, through great experiences, forever”.

3.5 Our 10 ambitious goals are: Build Climate Change Resilience; Safeguard Our Green Lung for London; Protect Our Heritage Assets; Restore Derelict Spaces; Strengthen Our Overall Resilience; Establish New, Exciting Partnerships; Inspire and Engage Our Communities; Create A Great Place To Work; Provide Great Entertainment & Culture For All; and Protect our Archives and Share our Stories in Innovative Ways.

3.6 Underpinning all our strategic aims are our values: We are Collaborative; We are Passionate & Fun; We are Resourceful; We are Bold; and We are Open & Genuine.

4. Operational Business Plan 2026/27

4.1 Ahead of the 2026/27 financial year, Alexandra Park and Palace (APP) updated the Three Year Operational Business Plan to provide clear direction for what will be a demanding year for the Charity and its subsidiaries. The Operational Business Objectives remain the same and, for the purposes of this report, are outlined below:

- Ensure the achievement of financial and fundraising targets by fostering a culture of collaboration.
- Develop and implement a structured process for the collaborative planning, development and delivery of strategic projects and programs.
- Implement and enhance the "Brilliant Basics" framework to set and elevate standards across all areas and aspects of the organisation.
- Embed organisational strategies and policies by fostering a culture of empowerment and recognition.

4.2 Measures and metrics are set out in the Business Plan in detail; the following are examples for the purposes of the report and are not an exhaustive list.

Example KPIs

- Trust to achieve a sustainable budget
- Revenue Growth Rate
- Gross Margin / Net Margin
- Donations per paying customer
- Basket donations
- Staff Turnover
- Mandatory Training Completion rate

- Net Promoter Score

5. Financial Performance and 2026/27 Budget Considerations

5.1 An important key performance indicator (KPI) in the Operational Business Plan is achieving a sustainable budget position for the Trust, following multiple years of operating at a deficit. The 2026/27 forecasts build on the success achieved in 2025/26, indicating that the Charity is on track to achieve a strong surplus after meeting its loan repayment obligations.

5.2 During the development of the 2026/27 Trust Budget, a sustainable position was achieved through increases in income, primarily through restoration levy and Gift Aid from the trading subsidiary. This puts the Trust in a position where 76% of its income is self-generated/fundraised income and 24% is from the grant from the Corporate Trustee, Haringey Council. Nonetheless, financial challenges remain, necessitating ongoing mitigation strategies.

5.3 Financial Challenges and Mitigation Strategies

Financial Challenges: Increases and unavoidable cost pressures, including:

- Business rates increases: Business rates have increased by over 350% over the last 2 years, as a result of removal covid relief measures and revaluations. The Government has acknowledged these pressures on venues and we are currently working to understand the current impact.
- General Cost Inflation: The trust continues to feel the impact of the increase in employers NIC in 25/26. Added to this rising construction and wage costs including London Living Wage there is a continued impact on the Trusts budgets.
- General Cost Inflation: Impacts on both gross and net profit margins of the subsidiary in turn impacting gift aid to the charity.

Mitigation Strategies: To mitigate a worsening deficit position, the Trust is implementing several strategies, including:

- Car Park Charges: The Trustee Board approved reasonable increases to take effect on 1st April 2026 and 1st April 2027.
- Fundraising: Increased fundraising targets, including the introduction of a Patron Scheme, installation of Tap to Donate terminals, and the launch of a significant capital campaign targeting trusts and foundations.
- Insurance: New insurance brokers were appointed in December and a full review of insurance cover was undertaken.
- New Leases and Tenants: The new visitor attraction, Summit opened on 14th February ’26, meaning a full years commission is represented in the budget for 26/27. The inhouse Boating Lake Café, opened in December ’25.

Operational Efficiencies: In parallel, the Trust has undertaken a rigorous review of its operational costs to identify efficiencies and savings:

- Traffic Management review: A review of the operating model has identified a number of savings which are being worked through.
- Cost Reassignment: Redistribution of certain operating expenses under the cost-sharing agreement with the trading subsidiary.
- Process Reviews: A streamlining of processes is being undertaken in preparation for new business systems technologies.

Strategic Investments: Despite financial constraints, the Trust remains committed to strategic investments in alignment with its long-term objectives:

- People: Continued investment in staff and volunteer development, well-being to attract and retain talent within available resources.
- Technology & IT: Enhancing digital capabilities to drive operational efficiency and support the Trust's charitable mission, including investing in a new accounting system.
- Repairs, Restoration, and Maintenance: Prioritising essential estate maintenance to support the needs of approximately five million annual visitors.

5.4 While achieving a sustainable budget for 2026/27, the Trust is committed to proactively addressing cost pressures through revenue generation, operational efficiencies, and targeted investments. Ongoing strategic measures will continue to strive towards a future of financial stability for the Trust.

5.5 The Trust has no reserve therefore it is imperative that the trust builds surpluses over the next 5 years in order to put itself in a more financial sustainable position and ensure appropriate compliance with the Charity Governance code.

6. Restoration Levy

6.1 Restoration Levy is charged on tickets across the country at venues, museums and historic attractions to help fund restoration, maintenance and repairs. At Alexandra Palace, restoration levy is typically between £1.95 and £2.50 depending on the event. The Restoration Levy helps the Trust to cover essential works to enhance the visitor experience and preserve the historic building.

7. Alexandra Park and Palace Charitable Trust Forecast 2026/27

7.1 2026/27 APPCT (Trust) Forecast

	APPCT (Trust) Unrestricted Income Statement	Forecast at May 2026/27	Budget 2026/27	Variance £	Variance %
	Income				
1a	Restoration Levy in year (26/27)	1,200,000	1,200,000	0	0%
1b	Restoration Levy in year (25/26)	48,853	0	48,853	
2	Gift Aid PY (25/26)	2,448,124	1,518,128	929,996	61%
3	Grants	1,755,000	1,755,000	0	0%
4	Car Parking	889,617	907,608	(17,991)	-2%
5	Leases	357,017	438,990	(81,973)	-19%
6	APTL Licence	300,000	300,000	0	0%
7	Creative Learning	50,209	30,000	20,209	67%
8	Donations	101,684	105,000	(3,316)	-3%
	Total Income	7,150,505	6,254,726	895,778	14%
	Expenditure				
9	Operating costs	(1,216,489)	(1,119,428)	(97,061)	-9%
10	Salaries	(1,501,952)	(1,591,897)	89,945	6%
11	Maintenance	(1,076,707)	(1,081,809)	5,102	0%
12	Car Parking Traffic Management	(259,053)	(259,560)	507	0%
13	Security	(719,160)	(719,102)	(58)	0%
14	Insurance	(591,304)	(628,564)	37,260	6%
15	Utilities	(343,409)	(344,337)	928	0%
16	Loan Repayments	(503,531)	(503,531)	0	0%
	Total Expenditure	(6,211,604)	(6,248,228)	36,624	1%
	Surplus / (Deficit)	938,901	6,499	932,402	

7.2 **Notes on Forecast:**

Unrestricted income:

Income within the Trust is ahead of target by 14%, £896k. This is mainly due to the operating profit for APTL for 2025/26 ending up higher than budgeted, as well as the final month of 25/26 in year Restoration Levy owed, being recognised in 26/27.

1. Restoration Levy: The 2026/27 in year Restoration Levy remains as budgeted at this stage of the year. The remaining £49k of 25/26 Restoration Levy owed to APPCT was paid and therefore recognised in 26/27.
2. Gift Aid: Against APCCT 26/27 original budget, this was 61%, £930k, favourable, as operating profit from APTL for 2025/26 ended up £1.58m above the Q1 25/26 revised budget. This was due to the success of Darts in December, additional gigs being scheduled in the February (including 4 nights of Fred Again, Fatboy slim and Solomon),

as well as Festive skate, Huskies Tickets and Ice Rink courses throughout the year being more successful than anticipated.

3. Grants: There is no anticipated change in the amount to be received from the Corporate Trustee per the agreed terms.
4. Car Parking: Down 2% compared to budget due to PCN revenue coming in circa 50% less than this time last year for both April 26 and May 26, £18k will continue to review as we move through the year. It is possible that a further reforecast down may be required if this trend continues.
5. Leases: Income is currently £82k below the original budget set, reflecting a slower than anticipated take up of the Summit, in its first three months. Revenue for AP is currently generating £2–2.5k per month. As a new income stream, forecasting demand has been challenging; however, steps are now in place to strengthen performance, including the appointment of a new marketing agency by the tenant. We anticipate increased interest over the summer period as awareness and demand build.
6. APTL licence: There is no change to the budgeted position. Any uplift would have a corresponding negative impact on future gift aid. It is more critical to secure third-party income.
7. Creative Learning: Income is up £20k vs budget. This is due to Bookfest not being budgeted for 26/27. This is an event we currently run every second year.
8. Donations: We are tracking 3%, £3k, behind budget. This is still an emerging income stream which requires the foundations to be built to see larger sums in future years. Progression is positive and are confident we can make this up throughout the year with our Patron scheme and other new fundraising initiatives.

Unrestricted expenditure:

Expenditure within the Trust is 1%, £37k, favourable vs budget.

9. Operating costs: Operating costs are higher than budget by 9%. This is due to an unbudgeted cost of £100k for a Fire strategy and consultant Fire officer now being included as a result of the findings of the fire assessment.
10. Salaries are showing a 6% positive variance of £90k. Post budget setting, We reviewed the cost sharing agreement between Trust and APTL. This had not been reviewed since 2019. We have realigned salaries per the agreement.
11. Maintenance: Remains predominantly on target at this point of the year.
12. Car Parking and Traffic management: Remains as budgeted at this point in the year. We are however in the process of reviewing the traffic management and security contracts with the aim to save £2-3k per month to further support the business.
13. Security: Remains as budgeted at this point in the year. However, as above, we are currently in the process of reviewing the contract with aim to make costs savings in 26/27.
14. Insurance: On retender of the insurance contract for 26/27, we have made a saving of £37k vs budget.
15. Utilities: Remains as budgeted at this point in the year.
16. Loan Repayments: Loan repayments as budgeted. After Loan repayments there is a surplus of £939k, £932k above budget, mainly due to the operating profit from APTL for 25/26 being higher than anticipated as previously mentioned.

Given the material variance in gift aid we would like trustees to approve the use of the current Forecast, as the revised budget for 26/27, which we will then use as the benchmark for the remainder of the year.

8. Risks

8.1 As set out above, the Trust has worked hard to ensure effective financial management and has taken a proactive approach to identifying and mitigating potential budget risks. However, that does not mean there are no risks, and Trustees should note the following:

- Income shortfalls: Potential underperformance in fundraising and car park charging which are predicated on footfall and spend per head.
- Cost overruns: Unexpected increases in costs due to unforeseen emergencies in particular relating to the building and its infrastructure.
- Economic Challenges: Impact of external economic factors such as inflation, war, global turmoil impacting supply chains and utilities.
- Regulatory and Compliance Changes: Changes increasing financial obligations and pressures.
- Supplier & Contractual Dependencies: The material contract which is coming up for tender is the utilities contract. The aim will be to mitigate some of the price increases we have seen in energy contracts recently as well as to try to move to a greener tariff.

8.2 While budget risks are inherent, the Trust remains committed to sound financial management and reporting, and will continue to keep all stakeholders and Trustees appraised of shifts in risk through risk management reporting.

9. Legal Implications

The Council's Director of Legal & Governance has been consulted in the preparation of this report and no comment

10. Financial Implications

The Council's Chief Financial Officer has been consulted in the preparation of this report and has no comment

11. Appendices

None

12. Background Papers

None