

Appendix 1 - For Information Only
ALEXANDRA PARK AND PALACE 2009/10

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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Consolidated Statement of Financial Activities for the year ended 31 March 2010

		Unrestricted Funds	Restricted Funds	Total 2010	Total 2009
	Note	£	£	£	£
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	351	332,252	332,602	-27,940
Activities for generating funds	4	5,323,348		5,323,348	5,494,857
Incoming resources from charitable activities	5	238,281		238,281	221,113
Investment income	6	3,013		3,013	59,958
Other incoming resources		535		535	741
Total incoming resources		5,565,527	332,252	5,897,779	5,748,729
Resources expended:					
Cost of generating funds					
Fundraising Trading cost of goods sold and other costs		4,757,433		4,757,433	4,960,933
Charitable activities		2,956,176	38,538	2,994,714	2,730,259
Governance costs		177,775		177,775	101,005
Total Resources expended	7, 10	7,891,384	38,538	7,929,922	7,792,197
Net outgoing resources before other recognised losses		(2,325,857)	293,714	(2,032,143)	(2,043,468)
Actuarial (loss)/gain on pension scheme		(669,000)	-	(669,000)	(275,000)
Net movement in funds		(2,994,857)	293,714	(2,701,143)	(2,318,468)
Opening deficit fund balance 1 April		(38,718,929)	11,069	(38,707,860)	(36,389,392)
Closing deficit fund balance	22	(41,713,786)	304,783	(41,409,003)	(38,707,860)

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.

Trust Statement of Financial Activities for the year ended 31 March 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	351	332,252	332,603	(27,940)
Activities for generating funds	4	550,000	-	550,000	617,934
Incoming resources from charitable activities					
	5	238,281	-	238,281	221,113
Other incoming resources		535	-	535	741
Total incoming resources		789,167	332,252	1,121,419	811,848
Resources expended:					
Charitable activities		2,956,176	38,538	2,994,714	2,730,259
Governance costs		158,775	-	158,775	92,405
Total Resources expended	7	3,114,951	38,538	3,153,489	2,822,664
Net outgoing resources		(2,325,784)	293,714	(2,032,070)	(2,010,816)
Opening deficit fund balance 1 April		(38,204,394)	11,069	(38,193,325)	(36,182,509)
Closing deficit fund balance as at 31 March	22	(40,530,178)	304,783	(40,225,395)	(38,193,325)

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 2010

	Note	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Fixed assets					
Tangible assets	13	622,990	429,827	618,229	425,571
Investments	14	-	-	2	2
		622,990	429,827	618,231	425,573
Current assets					
Stocks	15	100,327	71,666	-	-
Debtors	16	879,839	982,072	1,101,165	938,203
Cash at bank and in hand		943,643	1,254,555	67,040	182,119
		1,923,809	2,308,293	1,168,205	1,120,322
Creditors					
Amount falling due within one year	17	(1,655,030)	(1,929,331)	(689,058)	(621,571)
Net current assets		268,779	378,962	479,147	498,751
Total assets less current liabilities		891,769	808,789	1,097,378	924,324
Provisions for liabilities	19	(41,322,772)	(39,117,649)	(41,322,772)	(39,117,649)
Net Liabilities excluding pension scheme liability		(40,431,003)	(38,308,860)	(40,225,394)	(38,193,325)
Defined benefit pension scheme liability	25	(978,000)	(399,000)	-	-
Net Liabilities including pension scheme liability		(41,409,003)	(38,707,860)	(40,225,394)	(38,193,325)
Accumulated Funds					
Unrestricted deficit funds		(40,735,786)	(38,319,929)	(40,530,178)	(38,204,394)
Pension reserve		(978,000)	(399,000)	-	-
	20	(41,713,786)	(38,718,929)	(40,530,178)	(38,204,394)
Restricted Funds	21	304,783	11,069	304,783	11,069
Total Funds		(41,409,003)	(38,707,860)	(40,225,395)	(38,193,325)

Approved by the Board of Trustees on

and signed on its behalf by:

Councillor Patrick Egan

The notes on pages 8 to 23 form an integral part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 March 2010

	Group 2010	Group 2009
	£	£
Net cash outflow from operating activities	(897)	(549,958)
Returns on investments		
Interest received	3,013	59,958
Capital expenditure		
Payments to acquire tangible fixed assets	(313,028)	(48,020)
Decrease increase in cash	(310,912)	(538,020)
Cash at 1 April	1,254,555	1,792,575
Cash at 31 March	943,643	1,254,555

Note to the consolidated cash flow statement

	Group 2010	Group 2009
	£	£
Reconciliation of net outgoing resources to net cash outflow from operating activities		
Net outgoing resources before other recognised losses	(2,032,143)	(2,043,468)
Depreciation	119,865	108,665
Charges (less than)/in excess of pension contributions	(90,000)	32,000
Interest receivable	(3,013)	(59,958)
Increase in stocks	(28,661)	(2,222)
Decrease/(Increase) in debtors	102,233	(162,982)
Decrease in creditors	(274,301)	(175,724)
Increase in provisions	2,205,123	1,753,731
Net cash outflow from operating activities	(897)	(549,958)

Notes to the Financial Statements for the year ended 31 March 2010

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, it is virtually certain that the incoming resource will be received and the amount can be quantified with reasonable accuracy. The financial statements therefore reflect income due to the Group 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.

Deferred income 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) Provisions for liabilities

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 2009/2010. 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 2009/2010 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 2010.

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.

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 represents unrestricted and restricted donations to the Trust and includes a £311k restricted capital grant from London Borough of Haringey to purchase essential capital items to support the operations of the Trading company.

4. **Activities for generating funds**

	2010	2009
	£	£
Group		
Income from events	3,843,574	3,909,616
Income from the ice rink	1,033,327	1,121,342
Income from Phoenix public house	446,447	463,899
	<u>5,323,348</u>	<u>5,494,857</u>
Trust only		
Gift aid payment from subsidiary	400,000	468,234
Licence fee	150,000	149,700
	<u>550,000</u>	<u>617,934</u>

5. **Incoming resources from charitable activities**

	2010	2009
	£	£
Group and Trust		
Community events	68,803	41,895
Leases and concessions	169,478	179,218
	<u>238,281</u>	<u>221,113</u>

Community events income includes £26,995 (2009:£21,529) from public donations at the annual fireworks event.

6. **Investment income**

	2010	2009
	£	£
Group		
Bank interest	3,013	59,958
	<u>3,013</u>	<u>59,958</u>

7. Analysis of total resources expended

Group

	Direct costs	Support costs	2010 Total	2009 Total
	£	£	£	£
Costs of generating funds				
Expenditure of trading subsidiary	4,757,433	-	4,757,433	4,960,933
Charitable expenditure				
Community events	148,346	5,598	153,944	128,964
Leases and concessions	2,180	10,038	12,218	12,860
Park and Palace running costs	1,758,595	196,078	1,954,673	1,814,495
Security of building/park	646,429	227,450	873,879	773,940
	2,555,550	439,164	2,994,714	2,730,259
Governance costs				
Wages and salaries		37,838	37,838	14,624
Professional fees	65,937	40,000	105,937	49,881
Audit fee	34,000		34,000	36,500
	99,937	77,838	177,775	101,005
Total for Group	7,412,920	517,002	7,929,922	7,792,197

Trust Only

	Direct costs	Support costs	2010 Total	2009 Total
	£	£	£	£
Charitable expenditure				
Community events	148,346	5,598	153,944	128,964
Leases and concessions	2,180	10,038	12,218	12,860
Park and Palace running costs	1,758,595	196,078	1,954,673	1,814,495
Security of building/park	646,429	227,450	873,879	773,940
	2,555,550	439,164	2,994,714	2,730,259
Governance Costs				
Wages and salaries		37,838	37,838	14,624
Professional fees	65,937	40,000	105,937	59,531
Audit fee	15,000		15,000	18,250
	80,937	77,838	158,775	92,405
Total for Trust	2,636,487	517,002	3,153,489	2,822,664

8. Support costs

	2010	2009
	£	£
Group and Trust		
Wages and salaries	252,257	169,288
Overheads	264,745	413,868
	<u>517,002</u>	<u>583,156</u>

9. Deficit on current year activities

Auditors' remuneration: audit fee	29,500	36,500
Auditors' remuneration: taxation		3,250
Operating lease rentals - land and buildings		42,092
Operating lease rentals - plant & machinery		-
Depreciation	119,865	108,665

The trustees received no remuneration from the charity (2009: £Nil) and were not reimbursed for any of their expenses by the charity during the year (2009: £Nil).

10. Analysis of costs by activity GROUP

Costs directly allocated to activities	Basis of allocation	Cost of generating funds	Security of building and park	Community Events	Leases and Concessions	Park & Palace running costs	Governance	Total 2010	Total 2009
		£	£	£	£	£	£	£	£
Expenditure of trading subsidiary	Direct	4,757,433						4,757,433	4,960,933
Salaries	Direct		641,339			773,306		1,414,645	1,193,961
Professional fees	Direct		5,090		2,180	26,841	10,807	44,918	52,155
Audit fees	Direct						34,000	34,000	36,500
Direct costs	Direct			148,346		958,448	55,130	1,161,924	965,492
Total direct costs		4,757,433	646,429	148,346	2,180	1,758,595	99,937	7,412,920	7,209,041
Support costs allocated to activities									
General office and finance support staff	Staff time & area average		123,788	2,060	5,605	113,170	37,838	282,461	163,808
Apportioned overhead cost	Staff time & area average		31,429	528	1,423	28,733	40,000	102,113	119,187
Apportioned support and overhead cost	Staff time & area average		72,233	3,010	3,010	54,175	0	132,428	300,161
Total support costs		0	227,450	5,598	10,038	196,078	77,838	517,002	583,156
Total for Group		4,757,433	873,879	153,944	12,218	1,954,673	177,775	7,929,922	7,792,197

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.

Costs directly allocated to activities	Basis of allocation	Security of building and park		Community Events		Leases and Concessions		Park & Palace running costs		Governance		Total 2010		Total 2009	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£
Salaries	Direct	641,339						773,306				1,414,645			1,193,961
Professional fees	Direct	5,090			2,180			26,841		10,807		44,918			61,805
Audit fees	Direct									15,000		15,000			18,250
Direct costs	Direct			148,346				958,448		55,130		1,161,924			965,492
Total direct costs		646,429		148,346	2,180			1,758,595		80,937		2,636,487			2,239,508
Support costs allocated to activities															
General office and finance support staff	Staff time & area average	123,788		2,060		5,605		113,170		37,838		282,461			163,808
Apportioned overhead cost	Staff time & area average	31,429		528		1,423		28,733		40,000		102,113			119,187
Apportioned support and overhead cost	Staff time & area average	72,233		3,010		3,010		54,175		0		132,428			300,161
Total support costs		227,450		5,598		10,038		196,078		77,838		517,002			583,156
Total for Trust		873,879		153,944	12,218			1,954,673		158,775		3,153,489			2,822,664

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

	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Wages and salaries	1,588,619	1,270,711	234,897	178,116
Social security costs	134,045	108,324	18,349	14,640
Pension costs	132,393	106,866	39,806	35,042
Agency staff costs	674,987	776,095	134,185	5,225
	2,530,044	2,261,996	427,237	233,024

There were no employees whose emoluments as defined for taxation purposes amounted to over £60,000 in 2009 or 2010.

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:

	Group 2010 Number	Group 2009 Number	Trust 2010 Number	Trust 2009 Number
Ice rink		17 (5)		-
Repairs and maintenance including park		2 (2)		2 (2)
Community events		-		-
Cost of generating funds		23 (17)		-
Support costs		1 (1)		1 (1)
Management and administration		8 (8)		2 (2)
		51 (33)		5 (5)

Of the 17 staff working in the ice rink in 2010, 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
	£	£	£	£
Trust only:				
Cost: At 1 April 2009	197,346	485,303	407,164	1,089,813
Additions	33,505	194,692	83,346	311,542
At 31 March 2010	230,851	679,995	490,510	1,401,355
Depreciation: At 1 April 2009	98,673	291,366	274,203	664,242
Charge for the year	19,735	57,479	41,672	118,885
At 31 March 2010	118,407	348,844	315,875	783,126
Net Book Value				
At 31 March 2010	112,443	331,151	174,635	618,229
At 31 March 2009	98,673	193,937	132,961	425,571

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
	£	£	£	£
Group				
Cost: At 1 April 2009	197,346	485,303	441,248	1,123,897
Additions	33,505	194,692	84,831	313,028
At 31 March 2010	230,851	679,995	526,079	1,436,925
Depreciation: At 1 April 2009	98,673	291,366	304,031	694,070
Charge for the year	19,735	57,479	42,651	119,865
At 31 March 2010	118,408	348,845	346,682	813,935
Net book value				
At 31 March 2010	112,443	331,150	179,397	622,990
At 31 March 2009	98,673	193,937	137,217	429,827

14. Fixed asset investments

Trust only:	2010	2009
	£	£
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 paid £400,000 gift aid 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:

	2010	2009
	£	£
Turnover	5,323,348	5,494,857
Interest income	3,013	59,958
	5,326,361	5,554,815
Cost of sales	(4,120,364)	(4,447,363)
Cost of operating expenses	(806,069)	(671,870)
	(4,926,433)	(5,119,233)
Net income to the group	399,928	435,582
Gift Aid to the Trust	(400,000)	(468,234)
Retained loss	(72)	(32,652)
Retained deficit brought forward	(514,534)	(206,882)
Actuarial loss on pension fund	(669,000)	(275,000)
Retained deficit carried forward	(1,183,606)	(514,534)

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

15. Stock

	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Food and beverages	100,327	71,666	-	-
	100,327	71,666	-	-

16. Debtors

	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Trade debtors	535,901	799,964	64,248	17,085
Other amounts due from subsidiary undertaking	-	-	340,451	362,756
Gift aid due from subsidiary undertaking	-	-	400,000	468,234
Other debtors	15,315	5,816	158	4,198
Prepayments and accrued income	328,625	176,292	296,309	85,930
	879,841	982,072	1,101,165	938,203

17. Creditors: amount falling due within one year

	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Trade creditors	794,997	663,056	557,232	452,483
Other taxes and social security cost	124,452	292,049	-	-
Other creditors	-	5,686	-	2,750
Accruals	195,443	332,648	82,837	138,041
Deferred income	540,139	635,892	48,989	28,297
Haringey Council: Bank Account	-	-	-	-
	1,655,030	1,929,331	689,058	621,571

Deferred income 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. Deferred income

	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Reconciliation of movement:				
Balance brought forward	635,892	1,013,339	28,297	22,587
Amount released to SOFA during the year	(635,892)	(1,013,339)	(28,297)	(22,587)
Amount deferred during the year	540,139	635,892	48,989	28,297
Balance carried forward	<u>540,139</u>	<u>635,892</u>	<u>48,989</u>	<u>28,297</u>

19. Provisions for liabilities

	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
Haringey Council: Indemnification	<u>41,322,722</u>	<u>39,117,649</u>	<u>41,322,722</u>	<u>39,117,649</u>
Reconciliation of movement:				
Balance brought forward	39,117,649	37,363,918	39,117,649	37,363,918
Amount charged to SOFA	430,490	385,911	430,490	385,911
Transfer to bank less VAT debtor	1,774,633	1,367,820	1,774,633	1,367,820
Balance carried forward	<u>41,322,722</u>	<u>39,117,649</u>	<u>41,322,722</u>	<u>39,117,649</u>

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 £ (2009: £46,200); entertainment licences of £ (2009: £47850); public liability insurance £ (2009: £37210); APTL directors' liability insurance of £ (2009: £18605) provision of park patrol service £ (2009: £35,322); legal expense £ (2009: £5,018); printing and other sundry items of £ (2009: £7,989).

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.

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19. Provisions for liabilities (continued)

The analysis of the current year's figure is as follows:

	Accumulated		
	Balances	Interest	Total
	£'000	£'000	£'000
Indemnification 1991/92 to 1994/95 (1)	5,005	9,881	14,886
Indemnification 1995/96 to 2009/10(2)	18,187	4,854	23,041
Provision: 1988/89 to 1990/91 (3)	755	2,641	3,396
	<u>23,947</u>	<u>17,376</u>	<u>41,323</u>

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 2009/10 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.

20. Accumulated unrestricted funds

	Group 2010	Group 2009	Trust 2010	Trust 2009
	£	£	£	£
Trust deficit funds:				
Balance brought forward	38,718,929	36,428,766	38,204,394	36,221,883
Deficit in year	2,325,857	2,015,163	2,325,784	1,982,511
Actuarial loss/(gain) on defined benefit pension scheme	669,000	275,000	-	-
Balance carried forward	<u>41,713,786</u>	<u>38,718,929</u>	<u>40,530,178</u>	<u>38,204,394</u>

The above amounts represent the deficit equity of the Trust. The Group figure includes £1,183,606 (2009:£514,534) of the trading subsidiary retained losses carried forward.

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21. Restricted funds

	Balance 1 April 2009	Incoming Resources	Expenditure & transfers	Balance 31 Mar 2010
	£	£	£	£
Environment Agency Grant	1,168	13,283	(13,293)	1,158
Conservation Area Grant	0	4,750	(4,750)	0
Organ Appeal Fund	6,616	2,677	(3,139)	6,154
Theatre Fund	232	0	0	232
English Heritage	3,053	0	0	3,053
Restricted Capital Fund	0	311,542	(17,356)	294,186
	<u>11,069</u>	<u>332,252</u>	<u>(38,538)</u>	<u>304,783</u>

The restricted fund balance at 31 March 2010 are represented by cash at bank of £10,597 and fixed assets with a net book value of £294,186

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

The Environment Agency and Conservation Area grants are for works to the boating lake

The Restricted capital fund is a grant from London Borough of Haringey for targeted purchases to support the Trading Company.

22. Total funds

	Group 2010	Group 2009	Trust 2010	Trust 2009
	£	£	£	£
Balance brought forward	38,707,860	36,389,392	38,193,325	36,182,509
Deficit in year	2,032,143	2,043,468	2,032,070	2,010,816
Actuarial loss	669,000	275,000	-	-
Balance carried forward	<u>41,409,003</u>	<u>38,707,860</u>	<u>40,225,395</u>	<u>38,193,325</u>

23. 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 £29,500 (2009: £36,500).

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.

24 Commitments under operating leases

	2010	2009
	£	£
Land and buildings		
Payments due within one year on leases expiring:		
Within 1 year	35,896	35,896
Within 2-5 years	-	-
	<u>35,896</u>	<u>35,896</u>

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

25. 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:

		Nominal % per annum
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 Trust's contribution rate is determined by the Fund's Actuary based on triennial actuarial valuations, the last review being at 31st March 2007. Following this valuation, the Actuary agreed that the Trust's contribution would be 22.9% for the three years of the triennial period.

Trading company:

(b) Defined benefit scheme

The trading company operates a defined benefit pension scheme for the benefit of scheme members who transferred to the trading company, from Alexandra Park and Palace Charitable Trust, on 1 November 1999. There are 6 (2009: 7) scheme members still in the employment of the trading company as at 31 March 2010. The assets of the Scheme are in a fund independent from the trading company and are administered by Haringey Council under the provisions of the Local Government Superannuation Act. The Scheme is accounted for in accordance with FRS 17.

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25. Pension scheme (continued)

The Fund is independently valued on a regular basis by a firm of actuaries. The purpose is to assess the adequacy of the Fund's investments and contributions. The last actuarial valuation was carried out using the Projected Unit Method.

Economic and statistical assumptions were used. The principal actuarial assumptions used were:

Nominal % per annum		
Rate of investment - equities	-	7.7 % per annum compound
Rate of investment - bonds	-	5.7 % per annum compound
Rate of investment - property	-	5.7 % per annum compound
Rate of pensionable salary increases (excluding increments)	-	5.1 % per annum compound
Rate of price inflation/pensions increases	-	3.6 % per annum compound
Discount rate	-	6.9 % per annum compound

The market value of the Fund at the time of the last valuation was £619 million for the whole of the scheme of which £1,737,000 was the share for Alexandra Palace Trading Limited. Alexandra Palace Trading Limited employer's contribution is 18.7% of salary. The pension contribution for the year was £35,223 (2009: £34,991).

The actuarial valuation described above has been updated at 31 March 2010 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 using the current bid price.

The major assumptions used for the actuarial valuation were:

	2010	2009
Price increases	3.80	3.10
Rate of pensionable salary increases (excluding increments)	5.30	4.60
Rate of price inflation/pensions increases	3.80	3.10
Discount rate	5.50	6.90
Expected rate of return on assets	7.00	6.20

The expected rate of return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

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

	Males	Females
Current pensioners	22.7 years	25.6 years
Future pensioners	24.7 years	27.8 years

For the year ended 31 March 2010, the expected return on the above assets was £81,000 (2009: £114,000) less the interest on pension scheme liabilities of £113,000 (2009: £118,000)

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gives a net return of £32,000 (2009: (£4,000)) 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 2010 is £58,000 (2009: £49,000) after deduction of the past and current service cost.

25. Pension scheme (continued)

Recognition in the profit and loss account	2010	2009
	£'000	£'000
Current Service Cost	26	31
Interest Cost	113	118
Expected Return on employer assets	(81)	(114)
Past service costs	0	14
	<u>58</u>	<u>49</u>

Reconciliation of defined benefit obligation	2010	2009
	£'000	£'000
Opening Defined Benefit Obligation	1,658	1,694
Current service cost	26	31
Interest cost	113	118
Contributions by members	15	15
Actuarial losses	1,041	(175)
Past service costs	-	14
Estimated benefits paid	(70)	(39)
	<u>2,783</u>	<u>1,658</u>

Reconciliation of fair value of employer assets	2010	2009
	£'000	£'000
Opening fair value of employer assets	1,259	1,602
Expected return on assets	81	114
Contributions by members	15	15
Contributions by the employer	148	17
Actuarial losses	372	(450)
Benefits paid	(70)	(39)
	<u>1,805</u>	<u>1,259</u>

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

	2010	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	1,805.00	1,259	1,602	1,737	1,484	1,058
Present value of defined benefit obligation	-2783	(1,658)	(1,694)	(2,039)	(2,028)	(1,643)
Deficit	-978	(399)	(92)	(302)	(544)	(585)
Experience gains/(losses) on assets	372	(450)	(395)	(5)	194	38
Experience gains/(losses) on liabilities	0	0	122	(1)	(1)	(16)

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

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25. Pension scheme (continued)

Fair value of employer assets	2010	2009
	£'000	£'000
Equities	1,246	755
Bonds	397	315
Property	126	88
Cash	36	101
Total	1,805	1,259

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

	2010	2009
	£	£
Actuarial (loss)/gain recognised in STRGL	(669,000)	(275,000)

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

	31 March 2010	
	£'000	% of pay
Projected current service cost	54	28.8%
Interest on obligation	153	81.5%
Expected return on plan assets	(126)	(67.0%)
	<u>81</u>	<u>43.2%</u>

b) 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 £45,050 (2009: £25,153). Prepaid employer contributions of £3,657 are included within prepayments.

26. 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. No legal proceedings have yet been commenced by either party. No provision has been made in the Trust's accounts for this claim. The information normally required under FRS12 is not disclosed on the basis that it can be expected to seriously prejudice the outcome of this matter.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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