

# **ALEXANDRA PARK AND PALACE CHARITABLE TRUST**

**Appendix 1**

**TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010**

**Charity Number: 281991**

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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# Trustees' Annual Report for the year ended 31 March 2010

## 1. INTRODUCTION

- 1.1 The trustees are pleased to present their annual report for Alexandra Park and Palace Charitable Trust ("the Trust"), together with the Trust's consolidated financial statements, for the year ended 31 March 2010, prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) and applicable UK accounting standards.

## 2. REFERENCE AND ADMINISTRATIVE INFORMATION

Charity number	281991
Interim General Manager	Andrew Gill
Registered Office	Alexandra Palace Alexandra Palace Way Wood Green London, N22 7AY
Auditors	Deloitte LLP Chartered Accountants & Statutory Auditors 2 New Street Square London, EC4A 3EZ
Bankers	Royal Bank of Scotland Plc 280 Bishopsgate London EC2M 4RB
Solicitors	Howard Kennedy 19 Cavendish Square London, W1A 2AW

### Trustees

The following were members of the Board of Trustees during the year and to the date of this report:

Councillor Patrick Egan (Chair of the Board)	
Councillor Alan Strickland (Vice-Chair)	(Appointed 24 May 2010,)
Councillor Dilek Dogus (Vice-Chair)	(Resigned 18 May 2009)
Councillor Bob Hare	
Councillor John Oakes	(Resigned 18 May 2009)
Councillor Sheila Peacock	
Councillor Sheik Thompson	(Appointed 18 May 2009, resigned 24 May 2010)
Councillor Alan Stanton	(Resigned 18 May 2009)
Councillor Neil Williams	
Councillor Nigel Scott	(Appointed 18 May 2009)
Councillor Catherine Harris	(Appointed 18 May 2009, resigned 24 May 2010)
Councillor James Stewart	(Appointed 24 May 2010,)

### **3. STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **The Governing Document**

- 3.1 The Alexandra Park and Palace (Public Purposes) Act 1900 constituted a trustee body corporate to maintain and manage Alexandra Park and Palace. Subsequent Acts of Parliament in 1903, 1905 and 1913 conferred further powers on the trustees. In 1966, an order transferred the functions of the trustees to the now defunct G.L.C. Following a court case in 1967, the trusts declared by the 1900 Act were held to be valid charitable trusts, although they were not registered with the Charity Commission until March 1981. The trusts were transferred to the London Borough of Haringey which became the trustee on 1 January 1980. Subsequent to a major fire in July 1980 and a Public Inquiry which ended in 1983, the Alexandra Park and Palace Act 1985 amended the previous legislation in significant parts.
- 3.2 In February 2004, The Charities (Alexandra Park and Palace) Order 2004 came into force. This empowers the trustees to lease the whole or part or parts of the Palace and its immediate surrounding area for a term not exceeding 125 years subject to obtaining the consent by order made under the Charities Act 1993 of the Charity Commissioners. The Order does not amend the purposes for which either the Park or Palace are held in trust. The governing documents for the Trust are now collectively known as the Alexandra Park and Palace Acts and Orders 1900-2004.

#### **The Governing Body and Appointment of Trustees**

- 3.3 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 annually elects individual members to sit on the Alexandra Park and Palace Board to act as the charity trustees. The appointments reflect the political balance of the Council. The Charity trustees are those persons having the general control and management of the administration of the Trust.
- 3.4 The charity trustees are members of the Council but must act exclusively in the best interests of the Trust when dealing with Trust matters. The Council may elect different charity trustees each municipal year. However, all charity trustees step down for the local government elections. Those re-elected may be re-appointed at the annual general meeting of the Council held in May of each year.
- 3.5 In addition, three members of the Consultative Committee sit on the Board each year but those appointed are not charity trustees and do not have any voting powers. For the year ended 31 March 2010 they were:
- Mrs Val Paley  
Mr Mike Tarpey  
Mr Nigel Willmott
- 3.6 The Chair of the Statutory Advisory Committee (see paragraph 3.12) also formally attends the Board meetings in an observer capacity. For the year ended 31 March 2010 it was Mr David Liebeck.
- 3.7 The London Borough of Haringey has been advised by Leading Counsel that the Trust ‘is a function of the Council’ as defined in Section 101 of the Local Government Act 1972. The Trust is therefore subject to the full range of local government legislation by virtue of this advice in addition to the specific charity legislation.

## **Trustee Induction and Training**

- 3.8 At the beginning of each municipal year, a trustee induction meeting is arranged and takes place under the auspices of the charity's solicitors. The charity trustees are provided with the governing document together with key reports, minutes of previous meetings, budgets and audited accounts for the previous three financial years. Further training is considered on an individual basis.

## **Organisational Management**

- 3.9 The Alexandra Park & Palace Board ("the Board") meet as charity trustees to consider matters of policy, strategy and objectives. The charity trustees hold a set programme of meetings each year. Other special meetings may be called from time to time. During the year ended 31 March 2010 the Board held 6 ordinary meetings together with 2 special meetings.

- 3.10 The Board conducts its business under the delegations provided from the corporate trustee as follows:

*The Council has delegated to the Board all the functions of the Council as Trustee of Alexandra Park and Palace under the Alexandra Park and Palace Acts and Orders 1900 to (now) 2004 and, without prejudice to the generality of this, these functions include:*

- a) The duty to uphold, maintain and repair the Palace and to maintain the Park and Palace as a place of public resort and recreation and for other public purposes;*
- b) Acting as the employing body for employees engaged in the working of the Trust at Alexandra Palace, and to be responsible for the setting of staffing policies, conditions of service and terms of employment of those employees; and*
- c) In relation to the Trust, being responsible for developing and monitoring the implementation of effective policies and practices to achieve equality of opportunity both for employment and service delivery.*

The Board also appoints a panel of members to consider matters of urgency. The panel met on 2 occasions during the financial year.

- 3.11 The day to day organisation and management of the charity is delegated to the Interim General Manager, Andrew Gill.

## **The Statutory Advisory Committee**

- 3.12 The Alexandra Park and Palace Board receives advice from the Statutory Advisory Committee which was established under Section 9 of the Alexandra Park and Palace Act 1985. The role of the Advisory Committee is set out in Schedule 1, Part III Section 19 of that Act, which reads:

*The powers and duties of the Advisory Committee shall be to promote the objects of the Trust and assist the trustees in fulfilling the trusts by considering and advising the trustees on the following matters:*

- 1. The general policy relating to the activities and events arranged or permitted in the Park and Palace;*
- 2. The effects of such activities and events on the local inhabitants and local environment;*
- 3. The frequency of activities and events attracting more than 10,000 people at any one time and the maximum number to be permitted on such occasions;*
- 4. The adequacy of car parking arrangements within the Park and Palace so as to avoid overflow into adjoining residential streets;*
- 5. Any proposals which require planning permission;*
- 6. The establishment and maintenance of the Park as a Metropolitan Park; and*
- 7. The furtherance of recreation and leisure in Alexandra Park and Palace.*

## **The Consultative Committee**

3.13 The trustees have established a Consultative Committee which does not have a statutory role but whose existence allows those organisations who have an interest in Alexandra Park and Palace to exchange views with and receive information from the Trust. The objects of the Consultative Committee are set out in its constitution as:

- 1) *To give representatives of appropriate local and national organisations the opportunity of full discussion on general matters affecting Alexandra Park and Palace;*
- 2) *To give the Board of Charity Trustees the opportunity of discussing and explaining to the organisations matters affecting the overall policy and efficient management of Alexandra Park and Palace;*
- 3) *To promote better understanding between the Board of Charity Trustees and local organisations;*
- 4) *To enable appropriate local (and national) organisations to participate in decisions of direct concern to them; and*
- 5) *To further Alexandra Park and Palace as a conservation area.*

## **Group Structure and Relationships**

3.14 The charity has a wholly owned non-charitable trading subsidiary, Alexandra Palace Trading Ltd. whose objectives and performance are described in paragraphs 4.2 and 5.1 below.

## **Risk Management**

3.15 The trustees have overall responsibility for ensuring that adequate systems of control, financial and otherwise, exist. They are responsible for safeguarding the assets of the charity, taking reasonable steps for the prevention and detection of fraud and other regularities and providing reasonable assurance that;

- The charity is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposal;
- Proper records are maintained and financial information is reliable; and
- The charity complies with relevant laws and regulations.

During the year, the Board adopted a formal risk register to identify and monitor the key risks facing the charity, supported by more detailed monitoring mechanisms for health and safety and compliance.

The Board of Trustees is fully committed to reviewing and improving its governance arrangements and a project steering group has been established to drive this forward. Input from key stakeholders has been sought via a Stakeholders' Forum, to include groups such as the Statutory Advisory and Consultative Committees. During the year, the Board resolved to adopt the NCVO Code of Good Governance and this will be implemented and embedded over the coming year.

3.16 The system of internal financial control is based on a framework of regular management information, administrative procedures, including the segregation of duties, and a system of delegation and accountability. The Trustees have a process to identify, review and manage the significant risks faced by the Trust, including:

- the development of a formal risk register, supported by a compliance matrix and health and safety risk register;
- the appointment of internal auditors, Mazars, and approval of a three year internal audit plan;
- comprehensive budgeting systems with an annual budget which is agreed by the Board;
- the adoption of a three year business plan by the Trust which is aligned to its budget setting process;
- regular monitoring by the trustees of periodic and annual financial reports which show performance against budget and forecast expenditure for the financial year;
- setting targets to measure financial and other performance; and
- the Board agreeing the expenditure on the building and park to ensure its appropriateness in meeting the basic objects of the charity.

The systems can only provide a reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

#### **Volunteers**

3.17 The charity employs a number of volunteers in the conservation area and the Information Centre and plans to develop further volunteering opportunities over the coming years. The charity would like to thank all its volunteers for their very valuable contribution to Alexandra Palace during the year.

## **4. OBJECTS AND ACTIVITIES**

#### **Charitable Objects**

4.1 The principal object of Alexandra Park and Palace Charitable Trust is the maintenance as an open space and provision of the Park and Palace for the free use and recreation of the public forever, as defined in the 1985 Act.

#### **Activities**

4.2 In shaping the Trust's objectives and planning its activities for the year, the trustees have considered the Charity Commission's guidance on public benefit. The Trust's core areas of activity include:

- a) The provision and maintenance of the park for free use by the public, including the establishment and replacement of park footpaths and trails, the provision of a nature/wildlife conservation area, the planting of arboreta, ornamental flowerbeds and rose gardens, upkeep and improvement to a boating lake, children's zoo, children's play area, a pitch and putt course, a skateboard park, cricket pitches, football fields and associated car parking;
- b) The provision of free outdoor events, including bonfire night fireworks display, school tours and other entertainment, a bicycle trail, children's funfairs and the provision of displays and mini exhibitions;
- c) The continued expenditure on the Victorian building, including the original theatre and organ; the original high definition television studios and the maintenance of areas within the Palace to provide a safe environment for the public; and

- d) The hiring of space and the provision of catering for a wide range of public and private events including conferences, banquets, weddings and exhibitions, the running of The Phoenix public house and the ice rink. These activities are carried out via the Trust's wholly owned trading subsidiary, Alexandra Palace Trading Limited. The company's profits are paid annually to the Trust via gift aid to contribute towards the fulfilment of the Trust's charitable objectives.

### **Achievements for the year**

- 4.3 The 79 hectares of parkland continue to be a strong public attraction for both formal and informal recreation purposes. The park was awarded a Green Flag in 2008 and 2009 in recognition of the hard work of staff, contractors and volunteers towards creating an environment that is clean, well maintained and welcoming to visitors. The park also won a Silver Gilt 'London in Bloom' award in the Large Parks category.
- 4.4 In pursuance of its basic objects, the charity continued to provide a number of permanent facilities including a boating lake, children's play area, animal enclosures and cycle routes. Through its leaseholders, the park also offers a pitch and putt golf course, two café outlets and a soft play facility for young children in the form of 'Little Dinosaurs', a newcomer to the park in 2009/10.
- 4.5 Through its trading subsidiary, the charity also organised an annual fireworks display, which was attended by some 50,000 members of the public in November. The event included a German Beer Festival, live music, a funfair and family entertainment. The charity continues to work with other community and voluntary organisations to deliver low cost, high quality events, including a fortnightly farmers' market, children's funfair, circus, charity events and wildlife walks.
- 4.6 Alexandra Palace Trading Limited held 135 large events in 2009/10, ranging from weddings and exhibitions to concerts, award ceremonies and cultural festivals. The increased capacity of 10,400 for the Great Hall had an immediate impact in attracting high profile artists; tickets for the Jay-Z concert in November sold out within a record-breaking 15 seconds. The company continues to secure repeat and loyal business to Alexandra Palace, including the World Darts Championships, The Knitting and Stitching Show and the ACCA examinations.
- 4.7 The Trust has made significant progress in improving internal monitoring and controls, particularly in the areas of health and safety and risk management. The health and safety and fire management policies have been revised and re-issued to all staff; staff have received training on health and safety, fire safety and incident management procedures and a detailed compliance audit has been completed and an action plan implemented. Alexandra Palace was given full compliance approval by the fire authorities during the year.
- 4.8 The Trust has also taken some significant first steps to reduce its carbon footprint and improve the environmental sustainability of the site, including the development of a carbon footprint for the site and a full site survey via the Carbon Trust. The trading company adopted a Sustainability Policy during the year and a Sustainability Working Group has been established to identify and implement improvements in environmentally responsible working practices across the site.
- 4.9 The Trust worked closely with its trading subsidiary and London Borough of Haringey to secure some much needed investment for Alexandra Palace during the year. In June 2009, a £300,000 capital grant was secured from the Council for targeted capital purchases to assist with profit generation in the trading company. In February 2010, the Trust also secured £2m in prudential borrowing via the Council to refurbish the ice rink facility, a much loved, local sporting facility which was facing chronic risk of failure due to the age of the equipment and build up of frost beneath the ice. The Trust also secured a further £500,000 capital grant for 2010/11 to address critical buildings dilapidations on site, together with an uplift in its annual revenue budget to reflect current operating levels.



## **Other information**

- 4.10 In Autumn 2005, the Board resolved to appoint an investment partner with the aim of securing sufficient investment to enhance and develop the charity's principal building (which is currently 40% derelict) and bring it into more effective use. Following an open selection process, the Firoka Group was appointed as preferred investment partner on 30 January 2006. On 24 July 2006, the Board formally resolved to seek an order from the Charity Commission consenting to the grant of a 125 year lease to the Firoka Group. The Charity Commission sealed the Order consenting to the lease on 4 May 2007. On 9 May 2007, a short-term licence was agreed between Alexandra Park and Palace Charitable Trust and the Firoka Group in order to facilitate the efficient transfer of the business and staff to the Firoka Group.
- 4.11 However, the Charity Commission Order of 4 May 2007 was subsequently challenged in proceedings seeking a judicial review. On 5 October 2007, the court declared that the Charity Commission Order of 4 May 2007 was unlawful. In the light of this decision, it became apparent that progress on the project would not be possible before the end of the financial year and the Board therefore resolved in early December 2007 to give 28 days notice determining the short-term licence arrangement in January 2009. On 18 August 2009, the Firoka Group gave notice that they were withdrawing their interest in the project.
- 4.12 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.
- 4.13 On 26 May 2009, a detailed response was sent by solicitors acting for the Council as trustee denying any liability. No correspondence has been received on this matter since August 2009. No legal proceedings have been commenced and 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.
- 4.14 On 12 January 2010, the Board formally resolved to abandon its previous strategy of pursuing holistic development of the site via a single developer. Since that date, the Board has received a number of reports on Governance and Future Vision has resolved to create a Regeneration Working Group to oversee the design, formulation and adoption of a sustainable regeneration strategy for Alexandra Park & Palace. This Working Group will act in an advisory capacity to the Board.

## **5. FINANCIAL REVIEW**

- 5.1 The Trust continues to benefit from substantial funding from its corporate trustee, London Borough of Haringey. All the available net revenue income is directed toward the provision and maintenance of the assets, namely the 79 hectares of parkland and the Grade II listed Victorian property. The charity does not have any capital reserves or alternative sources of funding and has not therefore considered it appropriate to develop a formal reserves policy. Trust expenditure is guided by the basic objects of the Trust and aimed toward maximising public benefit from the provision of the Palace and Park. The decisions on items of expenditure are made with independent professional advice, where necessary, in the overall context of the available budget.

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing financial support of the corporate trustee. It is the Council's current policy to continue to provide funding to the Alexandra Park and Palace Charitable Trust until such time as the support of the Council is no longer required. The Council has confirmed in writing that it has considered and approved within its budgets funding,

including ongoing revenue support, for the Trust for a period of not less than twelve months from the date of signing the accounts.

The results of Alexandra Palace Trading Limited are shown in Note 14 of the accounts. 2009/10 was an exceptionally tough year for the Trading Company as the global economy was in crisis and the events industry was hit hard. The coldest winter on record for 30 years also had a significant impact on energy consumption due to the nature of the building, which is difficult to heat. Nonetheless, APTL secured 135 large events during the year and delivered a gift aid payment to the Trust of £400,000.

The Trust's running costs are calculated at £3.1 million and include substantial expenditure on repairs to the building and equipment, maintenance of the building and park and security. Total income generated of £1.1 million results in an overall funding shortfall of £2 million. This shortfall is met by the London Borough of Haringey.

- 5.2 In addition there is a cumulative sum of £41 million representing cumulative operating deficits of £24 million and associated accumulated interest charges of £17 million for the years 1989-2004.

The corporate trustee has previously made arrangements for the funding of the deficit on an annual basis but has now written off that sum 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.

#### **Statement of trustees' responsibilities**

- 5.3 The trustees are responsible for preparing the Annual Report and the financial statements. The trustees have chosen to prepare the financial statements for the charity and the Group in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

United Kingdom charity law requires the trustees to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the Group and of the financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the Group and which enable them to ensure that the financial statements comply with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005). They are also responsible for safeguarding the assets of the charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Future Plans**

- 5.4 Work on the ice rink refurbishment project commenced on 5<sup>th</sup> May 2010 and it is anticipated that the facility will re-open in winter 2010/11. In addition to improved ice quality, the project will also deliver significant savings in utility costs and an improved carbon footprint for the site. The Trust has also tendered two key contracts in the year; security and buildings repairs and maintenance. Key areas of buildings dilapidations will also be addressed using the £500,000 capital grant from the Council.

5.5 The Board intends to further improve its governance arrangements during the coming year by fully embedding the principles of the NCVO Code of Good Governance, revising and updating key policies and continuing to review the work of the internal auditors and monitor the implementation of their recommendations. The Trustees also plan to consider the various strategic options available for dealing with the dereliction of the main building and decide on the future strategic direction of the Trust.

Whilst considering the long term need to address the condition of the building, the trustees intend that the delivery of the current charitable activities will continue and that delivery of commercial activities by the trading company will also continue and that wherever possible, both charitable and commercial activities will be expanded.

While the Board awaits the work being produced by the Regeneration Working Group, it has resolved;

- To adopt an aspirational strategy of reducing the Trust's reliance on the Council's revenue subsidy and strive towards achieving financial independence for Alexandra Park & Palace in the longer term;
- To adopt an 'interim' model for structural change, which includes a review of the Statutory Advisory Committee (SAC) and Consultative Committee (CC), as the most appropriate phased approach towards the longer term aspiration of legal/financial independence; and
- To appoint Independent Advisors with specific skills to join the Alexandra Palace and Park Board.

#### **Related Parties**

5.5 The Alexandra Park and Palace Charitable Trust does not have any formal links with other charities. It does, however, work closely with other charities through the facilities provided for community uses and the relationship with the Consultative Committee, whose membership comprises representatives of many local charitable organisations.

5.6 The "friends" group for the theatre was set up to promote activities to raise awareness of and funds for the refurbishment of the Victorian theatre. The theatre group has benefited from wide publicity and has attracted some high profile celebrities as patrons to support its work.

5.7 The other relevant body with whom the Trust has direct links is Haringey Council as corporate trustee. The registered address of the Council is Civic Centre, High Road, Wood Green, London N22 8LE.

#### **Auditors**

The Board of Alexandra Park and Palace Charitable Trust has resolved to re-appoint Deloitte LLP as auditors to the Trust for the financial year ended 31 March 2011.

This report was approved and authorised for issue by the Trust on 14<sup>th</sup> October 2010 and signed on its behalf by:

**Councillor Patrick Egan**  
**Chair of the Board of Trustees**

## **Independent Auditors' Report to the Trustees of Alexandra Park and Palace Charitable Trust**

We have audited the group and parent charity financial statements of Alexandra Park and Palace Charitable Trust for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Trust Statement of Financial Activities, the Consolidated and Trust Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act and The Alexandra Park and Palace (Public Purposes) Act 1900. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act and The Alexandra Park and Palace (Public Purposes) Act 1900. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and the Alexandra Park and Palace (Public Purposes) Act 1900. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent Auditors' Report to the Trustees of Alexandra Park and Palace Charitable Trust (continued)**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and the parent charity's affairs as at 31 March 2010 and of the group's incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993 and the Alexandra Park and Palace (Public Purposes) Act 1900.

**Deloitte LLP**

Chartered Accountants and Statutory Auditors  
London

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

		Unrestricted Funds	Restricted Funds	Total 2010	Total 2009
	Note	£	£	£	£
<b>Incoming resources:</b>					
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
<b>Total incoming resources</b>		<b>5,565,527</b>	<b>332,252</b>	<b>5,897,779</b>	<b>5,748,729</b>
<b>Resources expended:</b>					
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
<b>Total resources expended</b>	7, 10	<b>7,891,384</b>	<b>38,538</b>	<b>7,929,922</b>	<b>7,792,197</b>
<b>Net outgoing resources before other recognised losses and transfers</b>					
Transfers		(2,325,857)	293,714	(2,032,143)	(2,043,468)
Actuarial loss on pension scheme		294,186	(294,186)	-	-
<b>Net movement in funds</b>		<b>(669,000)</b>	<b>-</b>	<b>(669,000)</b>	<b>(275,000)</b>
Opening deficit fund balance 1 April		(2,700,671)	(472)	(2,701,143)	(2,318,468)
<b>Closing deficit fund balance</b>	22	<b>(41,419,600)</b>	<b>10,597</b>	<b>(41,409,003)</b>	<b>(38,707,860)</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.

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

	Note	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
<b>Incoming resources:</b>					
Incoming resources from generated funds					
Voluntary income	3	351	332,252	332,603	(27,940)
Activities for generating funds	4	549,928	-	549,928	617,934
Incoming resources from charitable activities	5	238,281	-	238,281	221,113
Other incoming resources		535	-	535	741
<b>Total incoming resources</b>		<b>789,095</b>	<b>332,252</b>	<b>1,121,347</b>	<b>811,848</b>
<b>Resources expended:</b>					
Charitable activities		2,956,176	38,538	2,994,714	2,730,259
Governance costs		158,775	-	158,775	92,405
<b>Total Resources expended</b>	7, 10	<b>3,114,951</b>	<b>38,538</b>	<b>3,153,489</b>	<b>2,822,664</b>
<b>Net outgoing resources before transfers</b>		(2,325,856)	293,714	(2,032,142)	(2,010,816)
Transfers		294,186	(294,186)	-	-
Opening deficit fund balance 1 April		(38,204,394)	11,069	(38,193,325)	(36,182,509)
<b>Closing deficit fund balance as at 31 March</b>	22	<b>(40,236,064)</b>	<b>10,597</b>	<b>(40,225,467)</b>	<b>(38,193,325)</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 2010

	Note	Group 2010 £	Group 2009 £	Trust 2010 £	Trust 2009 £
<b>Fixed assets</b>					
Tangible assets	13	622,990	429,827	618,229	425,571
Investments	14	-	-	2	2
		<b>622,990</b>	<b>429,827</b>	<b>618,231</b>	<b>425,573</b>
<b>Current assets</b>					
Stocks	15	100,327	71,666	-	-
Debtors	16	879,839	982,072	1,101,093	938,203
Cash at bank and in hand		943,643	1,254,555	67,040	182,119
		<b>1,923,809</b>	<b>2,308,293</b>	<b>1,168,133</b>	<b>1,120,322</b>
<b>Creditors</b>					
Amount falling due within one year	17	(1,655,030)	(1,929,331)	(689,058)	(621,571)
<b>Net current assets</b>		<b>268,779</b>	<b>378,962</b>	<b>479,075</b>	<b>498,751</b>
Total assets less current liabilities		<b>891,769</b>	<b>808,789</b>	<b>1,097,306</b>	<b>924,324</b>
Provisions for liabilities	19	(41,322,772)	(39,117,649)	(41,322,772)	(39,117,649)
<b>Net liabilities excluding pension scheme liability</b>		<b>(40,431,003)</b>	<b>(38,308,860)</b>	<b>(40,225,466)</b>	<b>(38,193,325)</b>
Defined benefit pension scheme liability	25	(978,000)	(399,000)	-	-
<b>Net liabilities including pension scheme liability</b>		<b>(41,409,003)</b>	<b>(38,707,860)</b>	<b>(40,225,466)</b>	<b>(38,193,325)</b>
<b>Accumulated deficit</b>					
Unrestricted deficit funds		(40,441,600)	(38,319,929)	(40,236,064)	(38,204,394)
Pension reserve		(978,000)	(399,000)	-	-
	20	<b>(41,419,600)</b>	<b>(38,718,929)</b>	<b>(40,236,064)</b>	<b>(38,204,394)</b>
Restricted Funds	21	10,597	11,069	10,597	11,069
<b>Total deficit</b>	22	<b>(41,409,003)</b>	<b>(38,707,860)</b>	<b>(40,225,467)</b>	<b>(38,193,325)</b>

Approved by the Board of Trustees on 14<sup>th</sup> October 2010 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 2010

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

### Note to the consolidated cash flow statement

	Group 2010	Group 2009
	£	£
<b>Reconciliation of net outgoing resources to net cash outflow from operating activities</b>		
Net outgoing resources before other recognised losses and transfers	(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
<b>Net cash outflow from operating activities</b>	<b>(897)</b>	<b>(549,958)</b>

## 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. 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 19 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 ('APTL'). 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 £311,542 (2009: nil) 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
	£	£
<b>Group</b>		
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>
<b>Trust only</b>		
Gift aid payment from subsidiary	399,928	468,234
Licence fee	150,000	149,700
	<u>549,928</u>	<u>617,934</u>

#### 5. Incoming resources from charitable activities

	2010	2009
	£	£
<b>Group and Trust</b>		
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
	£	£
<b>Group</b>		
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
	£	£	£	£
<b>Costs of generating funds</b>				
Expenditure of trading subsidiary	4,757,433	-	4,757,433	4,960,933
<b>Charitable expenditure</b>				
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
	<b>2,555,550</b>	<b>439,164</b>	<b>2,994,714</b>	<b>2,730,259</b>
<b>Governance costs</b>				
Wages and salaries	-	37,838	37,838	14,624
Professional fees	70,437	40,000	110,437	49,881
Audit fee	29,500	-	29,500	36,500
	<b>99,937</b>	<b>77,838</b>	<b>177,775</b>	<b>101,005</b>
<b>Total for Group</b>	<b>7,412,920</b>	<b>517,002</b>	<b>7,929,922</b>	<b>7,792,197</b>

### Trust Only

	Direct costs	Support costs	2010 Total	2009 Total
	£	£	£	£
<b>Charitable expenditure</b>				
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
	<b>2,555,550</b>	<b>439,164</b>	<b>2,994,714</b>	<b>2,730,259</b>
<b>Governance Costs</b>				
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
	<b>80,937</b>	<b>77,838</b>	<b>158,775</b>	<b>92,405</b>
<b>Total for Trust</b>	<b>2,636,487</b>	<b>517,002</b>	<b>3,153,489</b>	<b>2,822,664</b>

## 8. Support costs

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

## 9. Net outgoing resources

Net outgoing resources is stated after charging:

Auditors' remuneration: audit fee	29,500	36,500
Auditors' remuneration: taxation	2,250	3,250
Operating lease rentals - land and buildings	26,922	42,092
Operating lease rentals - plant & machinery	8,650	-
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
<b>Total direct costs</b>		<b>4,757,433</b>	<b>646,429</b>	<b>148,346</b>	<b>2,180</b>	<b>1,758,595</b>	<b>99,937</b>	<b>7,412,920</b>	<b>7,209,041</b>
<b>Support costs allocated to activities</b>									
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	-	132,428	300,161
<b>Total support costs</b>		<b>-</b>	<b>227,450</b>	<b>5,598</b>	<b>10,038</b>	<b>196,078</b>	<b>77,838</b>	<b>517,002</b>	<b>583,156</b>
<b>Total for Group</b>		<b>4,757,433</b>	<b>873,879</b>	<b>153,944</b>	<b>12,218</b>	<b>1,954,673</b>	<b>177,775</b>	<b>7,929,922</b>	<b>7,792,197</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**

<b>Costs directly allocated to activities</b>	<b>Basis of allocation</b>	<b>Security of building and park £</b>	<b>Community Events £</b>	<b>Leases and Concessions £</b>	<b>Park &amp; Palace running costs £</b>	<b>Governance £</b>	<b>Total 2010 £</b>	<b>Total 2009 £</b>
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
<b>Total direct costs</b>		<b>646,429</b>	<b>148,346</b>	<b>2,180</b>	<b>1,758,595</b>	<b>80,937</b>	<b>2,636,487</b>	<b>2,239,508</b>
<b>Support costs allocated to activities</b>								
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	-	132,428	300,161
<b>Total support costs</b>		<b>227,450</b>	<b>5,598</b>	<b>10,038</b>	<b>196,078</b>	<b>77,838</b>	<b>517,002</b>	<b>583,156</b>
<b>Total for Trust</b>		<b>873,879</b>	<b>153,944</b>	<b>12,218</b>	<b>1,954,673</b>	<b>158,775</b>	<b>3,153,489</b>	<b>2,822,664</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 2010</b>	Group 2009	<b>Trust 2010</b>	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
	<b>2,530,044</b>	<b>2,261,996</b>	<b>427,237</b>	<b>233,024</b>

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:

	<b>Group 2010</b>	Group 2009	<b>Trust 2010</b>	Trust 2009
	Number	Number	Number	Number
Ice rink	17 (6)	17 (5)	-	-
Repairs and maintenance including park	2 (2)	2 (2)	2 (2)	2 (2)
Cost of generating funds	22 (15)	23 (17)	-	-
Support costs	1 (1)	1 (1)	1 (1)	1 (1)
Management and administration	9 (8)	8 (8)	1 (0)	2 (2)
	<b>51 (32)</b>	<b>51 (33)</b>	<b>4 (3)</b>	<b>5 (5)</b>

Of the 17 staff working in the ice rink in 2010, 2 permanent employees and 3 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>Group</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b> At 1 April 2009	197,346	485,303	441,248	1,123,897
Additions	33,505	194,692	84,831	313,028
<b>At 31 March 2010</b>	<b>230,851</b>	<b>679,995</b>	<b>526,079</b>	<b>1,436,925</b>
<b>Depreciation:</b> At 1 April 2009	98,673	291,366	304,031	694,070
Charge for the year	19,735	57,479	42,651	119,865
<b>At 31 March 2010</b>	<b>118,408</b>	<b>348,845</b>	<b>346,682</b>	<b>813,935</b>
<b>Net book value</b>				
At 31 March 2010	<b>112,443</b>	<b>331,150</b>	<b>179,397</b>	<b>622,990</b>
At 31 March 2009	<b>98,673</b>	<b>193,937</b>	<b>137,217</b>	<b>429,827</b>

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
<b>Trust only:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b> At 1 April 2009	197,346	485,303	407,164	1,089,813
Additions	33,505	194,692	83,346	311,542
<b>At 31 March 2010</b>	<b>230,851</b>	<b>679,995</b>	<b>490,510</b>	<b>1,401,355</b>
<b>Depreciation:</b> At 1 April 2009	98,673	291,366	274,203	664,242
Charge for the year	19,735	57,479	41,672	118,885
<b>At 31 March 2010</b>	<b>118,407</b>	<b>348,844</b>	<b>315,875</b>	<b>783,126</b>
<b>Net Book Value</b>				
At 31 March 2010	<b>112,443</b>	<b>331,151</b>	<b>174,635</b>	<b>618,229</b>
At 31 March 2009	<b>98,673</b>	<b>193,937</b>	<b>132,961</b>	<b>425,571</b>

## 14. Fixed asset investments

<b>Trust only:</b>	<b>2010</b>	<b>2009</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 paid £399,928 (2009: £468,234) 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
	<b>5,326,361</b>	<b>5,554,815</b>
Cost of sales	(4,120,364)	(4,447,363)
Administrative expenses	(806,069)	(671,870)
	<b>(4,926,433)</b>	<b>(5,119,233)</b>
Net income to the group	399,928	435,582
Gift Aid to the Trust	(399,928)	(468,234)
Retained loss	-	<b>(32,652)</b>
Retained deficit brought forward	(514,534)	(206,882)
Actuarial loss on pension fund	(669,000)	(275,000)
Retained deficit carried forward	<b>(1,183,534)</b>	<b>(514,534)</b>

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 15. Stock

	<b>Group 2010</b>	Group 2009	<b>Trust 2010</b>	Trust 2009
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Food and beverages	100,327	71,666	-	-
	<b>100,327</b>	<b>71,666</b>	<b>-</b>	<b>-</b>

## 16. Debtors

	<b>Group 2010</b>	Group 2009	<b>Trust 2010</b>	Trust 2009
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	535,899	799,964	64,248	17,085
Other amounts due from subsidiary undertaking	-	-	340,451	362,756
Gift aid due from subsidiary undertaking	-	-	399,928	468,234
Other debtors	15,315	5,816	158	4,198
Prepayments and accrued income	328,625	176,292	296,309	85,930
	<b>879,839</b>	<b>982,072</b>	<b>1,101,093</b>	<b>938,203</b>

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

	<b>Group 2010</b>	Group 2009	<b>Trust 2010</b>	Trust 2009
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>1,655,030</b>	<b>1,929,331</b>	<b>689,058</b>	<b>621,571</b>

Deferred income represents payments received for events that will take place in future years.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 18. Deferred income

	<b>Group 2010</b>	Group 2009	<b>Trust 2010</b>	Trust 2009
	£	£	£	£
<b>Reconciliation of movement:</b>				
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

	<b>Group 2010</b>	Group 2009	<b>Trust 2010</b>	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>
<b>Reconciliation of movement:</b>				
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>41,322,772</u>	<u>39,117,649</u>	<u>41,322,772</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 £48,500 (2009: £46,200); entertainment licences of £47,850 (2009: £47,850); public liability insurance £37,954 (2009: £37,210); APTL liability insurance of £18,977 (2009: £18,605); provision of park patrol service £nil (2009: £35,322); legal and professional fees £25,823 (2009: £5,018); printing and other sundry items of £2,406 (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.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 19. Provisions for liabilities (continued)

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 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, the increase in working capital in the year and the capital spend 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

	<b>Group 2010</b>	Group 2009	<b>Trust 2010</b>	Trust 2009
	£	£	£	£
<b>Trust deficit funds:</b>				
Balance brought forward	38,718,929	36,428,766	38,204,394	36,221,883
Deficit in year	2,325,857	2,015,163	2,325,856	1,982,511
Transfers	(294,186)	-	(294,186)	-
Actuarial loss on defined benefit pension scheme	669,000	275,000	-	-
Balance carried forward	<u>41,419,600</u>	<u>38,718,929</u>	<u>40,236,064</u>	<u>38,204,394</u>

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

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 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	-	4,750	(4,750)	-
Organ Appeal Fund	6,616	2,677	(3,139)	6,154
Theatre Fund	232	-	-	232
English Heritage	3,053	-	-	3,053
Restricted Capital Fund	-	311,542	(311,542)	-
	<u>11,069</u>	<u>332,252</u>	<u>(332,724)</u>	<u>10,597</u>

The restricted fund balance at 31 March 2010 are represented by cash at bank of £10,597

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 capital purchases to support the Trading Company. The restriction was satisfied on acquisition of the assets and therefore, a transfer has been made between restricted and general funds.

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	2,032,142	2,010,816
Actuarial loss	669,000	275,000	-	-
Balance carried forward	<u>41,409,003</u>	<u>38,707,860</u>	<u>40,225,467</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
	£	£
<b>Land and buildings</b>		
Payments due within one year on leases expiring:		
Within 1 year	33,334	35,896
Within 2-5 years	6,300	-
	<u>39,634</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:

		<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 Trust's contribution rate is determined by the Fund's Actuary based on triennial actuarial valuations, the last review being at 31<sup>st</sup> 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.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 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) 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.

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 25. Pension scheme (continued)

<b>Recognition in the profit and loss account</b>	<b>2010</b>	2009
	<b>£'000</b>	£'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>

<b>Reconciliation of defined benefit obligation</b>	<b>2010</b>	2009
	<b>£'000</b>	£'000
<b>Opening Defined Benefit Obligation</b>	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>

<b>Reconciliation of fair value of employer assets</b>	<b>2010</b>	2009
	<b>£'000</b>	£'000
<b>Opening fair value of employer assets</b>	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:

	<b>2010</b>	2009	2008	2007	2006
	<b>£'000</b>	£'000	£'000	£'000	£'000
Fair value of employer assets	1,805	1,259	1,602	1,737	1,484
Present value of defined benefit obligation	(2,783)	(1,658)	(1,694)	(2,039)	(2,028)
Deficit	(978)	(399)	(92)	(302)	(544)
Experience gains/(losses) on assets	372	(450)	(395)	(5)	194
Experience gains/(losses) on liabilities	-	-	122	(1)	(1)

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

# ALEXANDRA PARK AND PALACE CHARITABLE TRUST

## 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 within net movement in funds in the SOFA:

	2010	2009
	£	£
Actuarial loss	(669,000)	(275,000)

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	54	28.8%
Interest on obligation	153	81.5%
Expected return on plan assets	(126)	(67.0%)
	81	43.2%

### 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.