

Report Title: **2 MONTHS RESULTS TO THE END OF MAY 2006 + FULL YEAR FORECAST 2006/07**

Report of: **Keith Holder, General Manager, Alexandra Palace & Park**

1. Purpose

1.1 To advise the Board of the 2 months result to the end of May 2006 and full year forecast to the end of the year.

2. Recommendations

2.1 Members are asked to note the income and expenditure for 2 months to end of May 2006 contained in the report and summarised at Appendix I. The 2+10 forecast against budget is tabulated at Appendix II.

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3. Executive Summary

3.1 The 2 months result is tabulated against budget at Appendix I. The 2+10 forecast against budget is tabulated at Appendix II.

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 N/A

5. Local Government (Access to Information) Act 1985

5.1 No specific background papers were used in compiling this report.

6. Description

6.1 The actual cumulative results for the accounting period to May 2006 (2 months) show an overall saving over budget of £64K (17.2%). These figures do not include the development budget or costs which were separately agreed by the local authority. **(Appendix 1)**.

6.2 The 12 months forecast comprising 2 months' actual results and the remaining 10 months of the budget is shown in **(Appendix 11)**.

Comparison of actual to budget results for the 2 month period (Appendix 1)

6.3 Overall net income was £224 K compared to a budget of £198K i.e. an increase of £26K (13.1 %). Detailed comments are as follows:

- Concession/ Leases : Actual results are £7K less than budget and at this stage in the year's progression is more than likely attributable to phasing of the budget.
- Net Ice Rink income: Comparison of net actual income of £169K with net budget income of £136K shows an increase of £33K which is a gain of 24.3% on budget. Clearly this represents a substantial positive variance reflecting the increased use of the ice rink .

6.4 Payroll and contracted services for the period show a saving of £14K when compared with budget for the period (5 %). This saving can be analysed as follows:

- Salaries: This shows a saving of £6K (8.3%) over budget for the period of which £3K is within the Ice Rink area.
- Wages/Casuals : The loss of £3K (10.7%) arises within the Ice Rink area and is compensated by the gain on salaries –again within the Ice Rink area - as pointed out above. This compensatory effect follows the trend experienced throughout 2005/6 and reflects the differences occasioned by vacancies and the use of casual staff during recruitment periods.
- Contracted services: This shows an increase over budget of £17K (9.4%) and is due to the costs for year ending 05/06 being understated . This has arisen from the late receipt of an outstanding invoice for £26K which was only recently received.
- Fixed overheads show an increase over budget of £13K for the period which represents 18.4% of the overall budget .This negative variance is due to legal costs (£16K) and general insurance costs (£3K) with savings arising in the remaining areas of fixed overheads
- Variable overheads show a saving of £65K over budget which represents 29.7% of the total. Depreciation is £8K below budget arising from capital expenditure being carefully monitored.
- Development costs : No specific budget was established for 06/07 as in previous years. Costs however are by necessity being incurred in connection with this ongoing project and as shown on Appendix 1 amount to £61K.

6.5 A comparison of expenditure versus income for the comparable period last year is presented as Appendix III.

7. Consultation

7.1 N/A

8. Summary and Conclusions

8.1 The 2 months result is tabulated against budget at Appendix I. The 2+10 forecast is tabulated against budget at Appendix II.

9. Recommendations

Members are asked to note the income and expenditure for the 2 months to the end of May 2006 contained in the report and summarised at Appendix I. The 2+10 forecast against budget is tabulated at Appendix II.

10. Legal and Financial Comments

10.1 The Trust's Solicitor and Director of Finance have been sent a copy of this report.

11. Equalities Implications

11.1 There are no perceived equalities implications in this report.

12. Use of Appendices / Tables / Photographs

12.1 Appendix I – Summary of the budget versus actual for 2 months to May 2006.

12.2 Appendix II – Summary of the budget versus 2+10 forecast for 2006/07.

12.3 Appendix III – Summary of the actual income expenditure comparison for 2005/06.