

Alexandra Park and palace Consolidated Financial Statements

Consolidated Statement of Financial Activities for the year ended 31st March 2006

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	2	-	1,374,248	1,374,248	757,215
Activities for generating funds	4	5,119,351	-	5,119,351	5,129,637
Incoming resources from charitable activities					
	3	1,014,528	-	1,014,528	951,065
Other incoming resources		4,803	-	4,803	7,265
Total incoming resources		6,138,682	1,374,248	7,512,930	6,845,182
Resources Expended:					
Cost of generating funds					
Interest payable	16	-	-	-	2,087,000
Fundraising trading: costs of goods sold and other costs	5	3,808,775	-	3,808,775	3,605,628
Charitable activities		4,131,464	1,364,228	5,495,692	3,994,550
Governance costs		29,700	-	29,700	25,200
Total resources expended	5	7,969,939	1,364,228	9,334,167	9,712,378
Net (outgoing)/incoming resources before transfers		(1,831,257)	10,020	(1,821,237)	(2,867,196)
Gross transfers between funds		-	-	-	-
Net movement in funds		(1,831,257)	10,020	(1,821,237)	(2,867,196)
Opening deficit fund balances 1 April		(29,519,576)	6,388	(29,513,188)	(26,645,992)
Closing Deficit Fund balances at 31 March		(31,350,833)	16,408	(31,334,425)	(29,513,188)

The notes on pages 59 to 70 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.

Trust Statement of Financial Activities for the year ended 31st March 2006

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	2	-	1,374,248	1,374,248	757,215
Activities for generating funds	4	1,255,000	-	1,255,000	1,497,918
Incoming resources from charitable activities					
	3	1,014,528	-	1,014,528	951,065
Other incoming resources		4,803	-	4,803	7,265
Total incoming resources		2,274,331	1,374,248	3,648,579	3,213,463
Resources Expended:					
Cost of generating funds					
Interest payable	16	-	-	-	2,087,000
Charitable activities		4,131,464	1,364,228	5,495,692	3,994,550
Governance costs		13,200	-	13,200	9,200
Total resources expended	5	4,144,664	1,364,228	5,508,892	6,090,750
Net (outgoing)/Incoming Resources before Transfers		(1,870,333)	10,020	(1,860,313)	(2,877,287)
Transfers between funds		-	-	-	-
Net movement in funds		(1,870,333)	10,020	(1,860,313)	(2,877,287)
Opening deficit fund balances 1 April		(29,521,175)	6,388	(29,514,787)	(26,637,500)
Closing Deficit Fund balances at 31 March		(31,391,508)	16,408	(31,375,100)	(29,514,787)

The notes on pages 59 to 70 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 31st March 2006

	Notes	Group 2006 £	Group 2005 £	Trust 2006 £	Trust 2005 £
Fixed assets					
Tangible assets	11	671,217	666,466	663,926	656,745
Investments	12	-	-	2	2
		<u>671,217</u>	<u>666,466</u>	<u>663,928</u>	<u>656,747</u>
Current assets					
Stocks	13	181,635	195,758	64,715	70,008
Debtors	14	805,123	1,046,072	1,736,652	2,156,669
Cash at bank and in hand		1,912,410	2,189,533	139,995	239,592
		<u>2,899,168</u>	<u>3,431,363</u>	<u>1,941,362</u>	<u>2,466,269</u>
Creditors: amounts falling due within one year	15	(1,882,371)	(2,263,591)	(957,951)	(1,290,377)
Net current assets		<u>1,016,797</u>	<u>1,167,772</u>	<u>983,411</u>	<u>1,175,892</u>
Total assets less current liabilities		1,688,014	1,834,238	1,647,339	1,832,639
Provision	16	(33,022,439)	(31,347,426)	(33,022,439)	(31,347,426)
Total Net Liabilities		<u>(31,334,425)</u>	<u>(29,513,188)</u>	<u>(31,375,100)</u>	<u>(29,514,787)</u>
Accumulated Funds:					
Unrestricted deficit funds	17	(31,350,833)	(29,519,576)	(31,391,508)	(29,521,175)
Restricted Funds	18	16,408	6,388	16,408	6,388
Total funds	19	<u>(31,334,425)</u>	<u>(29,513,188)</u>	<u>(31,375,100)</u>	<u>(29,514,787)</u>

Approved by the Board of Trustees on July 2006 and signed on its behalf by:

Councillor Andrew Krokou

Consolidated Cashflow Statement for the year ended 31st March 2006

	Group 2006	Group 2005
	£	£
Reconciliation of Changes in Resources to Net Cash Inflow from Operating Activities:-		
Change in Resources	(1,821,237)	(2,867,196)
Depreciation	127,039	110,157
Interest receivable	(78,568)	(71,706)
Decrease/(increase) in Stocks	14,123	(18,432)
Decrease/(increase) in Debtors	248,753	(474,179)
(Decrease)/increase in Creditors	(381,220)	721,675
Increase in Provision	1,675,013	3,663,499
Net cash (outflow)/inflow from operating activities	(216,097)	1,063,818

	Group 2006	Group 2005
	£	£
CASHFLOW STATEMENT:		
Net cash (outflow)/inflow from operating activities	(216,097)	1,063,818
Returns on investments and servicing of income:		
Interest received	70,764	68,560
Capital expenditure		
Payments to acquire tangible fixed assets	(131,790)	(384,373)
(Decrease)/increase in cash	(277,123)	748,005
Cash at 1 April	2,189,533	1,441,528
Cash at 31st March	1,912,410	2,189,533

Analysis of changes in Cash	31 March 2005	Change in year	31 March 2006
	£	£	£
Cash at bank and in hand	2,189,533	277,123	1,912,410

The notes on pages 61 to 72 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31st March 2006

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with the 2005 Statement of Recommended Practice Accounting and Reporting by Charities, and applicable accounting standards.

b) 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.

c) Going concern

Alexandra Park and Palace is a going concern because the overall trustee, Haringey Council, uses its corporate funds to support the revenue deficits of the Trust. It is the Council's current policy to continue providing this support until responsibility for the assets passes to a private developer and the support of the Council 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.

d) 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.

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.

e) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. The financial statements therefore reflect income due to the Trust 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.

Income in advance within creditors is made up of payments that have been received for events that will take place in future years.

f) Resources expended and the allocation of expenditure

All expenditure is accounted for on an accruals basis. The financial statements therefore reflect expenditure owed by the Group, but not paid by the end of the year. Expenditure has been classified under headings that aggregate all costs related to the category, this includes direct staff costs attributable to the activity. 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.

Support costs are those costs incurred in support of the expenditure on the objects of the Trust. Management and administration costs are those incurred in connection with the management of the Trust's assets, organisational administration and compliance with constitutional and statutory requirements.

1. Accounting policies (continued)**g) Investments**

Fixed asset investments are shown at cost less provision for impairment in value in the Trust's accounts.

h) 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.

i) Valuation of stock

Stock consists of purchased goods for resale, marketing publications, china and cutlery and other sundry items. Stock is valued at the lower of cost and net realisable value.

j) 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.

k) Provision

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 2005/2006. 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, which in 2004/05 was 7.33% (2003/04: 7.56%).

l) Related party transactions

Because of the close and unique relationship between Haringey Council and Alexandra Park and Palace, there is a significant number of transactions between the two parties. The extent of this relationship is detailed in note 14 to the financial statements.

m) Leases

Parts of the Trust's assets are subject to leasing arrangements.

n) 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.

o) Pension contributions

Pension contributions are charged to the Statement of Financial Activities so as to spread the cost of pensions over the employees' working lives with the Trust.

2. Restricted Funds: grants

Restricted fund grants of £10,000 from the Environment Agency, £20 receivable from The Theatres Trust for works on the Theatre, (2005: £13,000) and £1,022,762 (2005: £546,788) from the Heritage Lottery Grant with £341,466 (2005: £182,263) from the London Borough of Haringey for major works to the park.

3. Incoming resources from charitable activities

	2006	2005
	£	£
Ice rink	842,982	747,010
Community events	70,181	87,113
Leases and concessions	101,365	116,942
	<hr/>	<hr/>
Total income	1,014,528	951,065

4. Activities for generating funds

Alexandra Park & Palace Charitable Trust owns the entire share capital of 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. Alexandra Palace Trading Limited retained £39,076 of its profit this year with the remainder being gift aided 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:

	2006	2005
	£	£
Income from events	4,533,534	4,527,139
Income from the Phoenix public house	507,249	530,792
Interest receivable	78,568	71,706
	<hr/>	<hr/>
Total income	5,119,351	5,129,637
	<hr/>	<hr/>
Cost of sales	3,334,849	3,187,653
Cost of operating expenses	490,426	433,975
	<hr/>	<hr/>
Total cost of generating funds	3,825,275	3,621,628
	<hr/>	<hr/>
Net income to the group	1,294,076	1,508,009
Less: Licence fee to the Trust	(255,000)	(252,750)
Deed of Covenant/Gift Aid to the Trust	(1,000,000)	(1,245,168)
	<hr/>	<hr/>
Retained profit/(loss)	39,076	10,091
	<hr/>	<hr/>
Retained loss brought forward		
1,599	1,599	(8,492)
	<hr/>	<hr/>
Retained profit/(loss) carried forward	40,675	1,599

5. Analysis of total resources expended

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total £
Costs of generating fund				
Expenditure of trading subsidiary	3,808,775	-	-	3,808,775
Charitable expenditure				
Ice rink	608,361	-	85,798	694,159
Community events	116,973	-	4,767	121,739
Leases and concessions	76,375	-	3,575	79,949
Repairs & maintenance of building/park	1,813,419	1,364,228	784,139	3,961,786
Security of building/park	580,858	-	57,199	638,057
	<u>3,195,986</u>	<u>1,364,228</u>	<u>935,478</u>	<u>5,495,692</u>
Governance costs				
Audit fee	-	-	29,700	29,700
Total for Group	<u>7,004,761</u>	<u>1,364,228</u>	<u>965,178</u>	<u>9,334,167</u>

6. Support costs

	Group 2006 £	Group 2005 £
Management costs	919	850
Wages and salaries	134,580	43,535
Overheads	799,978	351,875
	<u>935,478</u>	<u>396,260</u>

7. Deficit on current year activities

	Group 2006 £	Group 2005 £
Operating deficit is stated after charging:		
Auditors' remuneration: audit fee	29,700	25,200
Operating lease rentals – land & buildings	35,896	120,359
Operating lease rentals – vehicles	-	8,339
Depreciation	127,039	110,157
	<u>192,635</u>	<u>264,055</u>

The trustees received no remuneration (2005:-£Nil) from the charity and were not reimbursed for any of their expenses by the charity during the year (2005:-£Nil).

8. Analysis of costs by activity

	Ice rink £	Community events £	Leases & concessions £	Repairs & maintenance £	Security of the building & park £
Management	85,798	4,767	3,575	784,139	57,199

The management costs above have been allocated based on the staff time spent on the activity with specific allocation of development costs to repairs and maintenance of the building and park.

9. Staff costs	Group 2006 £	Group 2005 £	Trust 2006 £	Trust 2005 £
Wages and salaries	1,626,208	1,621,764	534,117	466,125
Social security costs	130,130	132,440	31,295	29,716
Pension costs	120,304	131,113	56,555	53,604
Agency staff costs	789,657	778,721	470,940	418,460
	<u>2,666,299</u>	<u>2,664,038</u>	<u>1,092,907</u>	<u>967,905</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £50,000 in the year was as follows:

	Group 2006 Number	Group 2005 Number	Trust 2006 Number	Trust 2005 Number
£50,001 - £60,000	1	3	1	1
£60,001 - £70,000	1	-		-

The trust employee earning more than £50,000 received employer contributions into the defined benefit pension scheme (see note 23(a)). The trading company employees earning more than £60,000 received employer contributions into the stakeholder pension scheme (see note 23(b)).

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 2006 Number	Group 2005 Number	Trust 2006 Number	Trust 2005 Number
Ice rink	23 (6)	18 (4)	23 (6)	18 (4)
Repairs and maintenance inc. park	3 (3)	4 (4)	3 (3)	4 (4)
Community events	1 (1)	1 (1)	1 (1)	1 (1)
Cost of generating funds	43 (27)	39 (25)	- -	- -
Support costs	2 (2)	1 (1)	2 (2)	1 (1)
Management and administration	1 (1)	1 (1)	1 (1)	1 (1)
	<u>73 (40)</u>	<u>64 (36)</u>	<u>30 (13)</u>	<u>25 (11)</u>

10. 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 all taxable profits to the Trust under Gift Aid. No tax charge has arisen in the year.

11. Tangible fixed assets	Improvements to park	Plant & Machinery	Office equip, furniture & fittings	Total
Trust only:				
Cost:	£	£	£	£
At 1 st April 2005	197,346	450,930	215,820	864,096
Additions	-	31,567	100,223	131,790
At 31 st March 2006	<u>197,346</u>	<u>482,497</u>	<u>316,043</u>	<u>995,886</u>
Depreciation:				
At 1 st April 2005	19,735	98,061	89,555	207,351
Charge for the year	19,735	48,250	56,624	124,609
At 31 st March 2006	<u>39,470</u>	<u>146,311</u>	<u>146,179</u>	<u>331,960</u>
Net book value:				
At 31 st March 2006	<u>157,876</u>	<u>336,186</u>	<u>169,864</u>	<u>663,926</u>
At 31 st March 2005	<u>177,611</u>	<u>352,869</u>	<u>126,265</u>	<u>656,745</u>
	Improvements to park	Plant & Machinery	Office equip, furniture & fittings	Total
Group:				
Cost:	£	£	£	£
At 1 st April 2005	197,346	450,930	248,332	896,608
Additions	-	31,567	100,223	131,790
At 31 st March 2006	<u>197,346</u>	<u>482,497</u>	<u>348,555</u>	<u>1,028,398</u>
Depreciation:				
At 1 st April 2005	19,735	98,061	112,346	230,142
Charge for the year	19,735	48,250	59,054	127,039
At 31 st March 2006	<u>39,470</u>	<u>146,311</u>	<u>171,400</u>	<u>357,181</u>
Net book value:				
At 31 st March 2006	<u>157,876</u>	<u>336,186</u>	<u>177,155</u>	<u>671,217</u>
At 31 st March 2005	<u>177,611</u>	<u>352,869</u>	<u>135,986</u>	<u>666,466</u>
12. Fixed asset investments			Trust only	
			2006	2005
Shares in trading subsidiary:			£	£
At 1 April and 31 March			<u>2</u>	<u>2</u>

The Trust owns the entire share capital of its trading subsidiary (see note 3).

13. Stock	Group 2006 £	Group 2005 £	Trust 2006 £	Trust 2005 £
China and cutlery	58,309	63,360	58,309	63,360
Food and beverages	104,698	110,649	-	-
Publications and stationery	18,628	21,749	6,406	6,648
	<u>181,635</u>	<u>195,758</u>	<u>64,715</u>	<u>70,008</u>
14. Debtors	Group 2006 £	Group 2005 £	Trust 2006 £	Trust 2005 £
Trade debtors	162,623	142,374	-	-
Amounts due from subsidiary undertaking	-	-	157,406	187,640
Deed of covenant/gift aid due from subsidiary undertaking	-	-	1,000,000	1,211,868
Other debtors	41,866	45,571	34,060	45,571
Prepayments and accrued income	600,636	858,127	545,186	711,590
	<u>805,125</u>	<u>1,046,072</u>	<u>1,736,652</u>	<u>2,156,669</u>
15. Creditors: amounts falling due within one year	Group 2006 £	Group 2005 £	Trust 2006 £	Trust 2005 £
Trade creditors	181,644	331,264	-	-
Other taxes and social security costs	192,302	35,788	-	-
Other creditors	419,962	579,555	419,962	579,555
Accruals	498,813	701,164	406,636	477,493
Income in advance	458,497	385,468	200	2,977
Haringey Council: Bank Account	131,153	230,352	131,153	230,352
	<u>1,882,371</u>	<u>2,263,591</u>	<u>957,951</u>	<u>1,290,377</u>

Income in Advance 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. The difference between the two sums of £8,842 (2005: £9,240) relates to the Trust's cash float and is not part of that liability.

16. Provision	Group 2006 £	Group 2005 £	Trust 2006 £	Trust 2005 £
Haringey Council: Indemnification	33,022,439	31,347,426	33,022,439	31,347,426
Reconciliation of movement:				
Balance brought forward	31,347,426	27,683,927	31,347,426	27,683,927
Amount charged to SOFA	251,722	2,470,161	251,722	2,470,161
Transfers to bank less VAT debtor	1,423,291	1,193,338	1,423,291	1,193,338
	<u>33,022,439</u>	<u>31,347,426</u>	<u>33,022,439</u>	<u>31,347,426</u>

16. Provision (continued)**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: Interest charged of £Nil (2005: £2,087,000); rates of £42,200 (2005: £42,864); central administration of £30,000 (2005: £29,826); entertainment licences of £52,247 (2005: £49,698); public liability insurance £33,731 (2005: £32,124); provision of park patrol service £40,800 (2005: £32,000); legal expense £10,154 (2005: £2,398); printing and other sundry items of £3,210 (2005: £3,987). Vivienne Manheim wishes to voluntarily declare that she receives £9,500 as a Special Responsibility Allowance payment from Haringey Council's Corporate Funds (not charged to the Trust) with Charity Commission knowledge and consent.

In view of the uncertainty created by the complex legislative position, the Council has resolved to seek the Directions of the Court regarding its precise duties as Trustees of Alexandra Park and Palace Charitable Trust. The time scale for the legal directions is uncertain.

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

		Accumulated Balances	Interest	Total
		£'000	£'000	£'000
Haringey Council:				
Indemnification: 1991/92 to 1994/95	(1)	5,005	9,881	14,886
Indemnification: 1995/96 to 2005/06	(2)	9,886	4,854	14,740
Provision: 1988/89 to 1990/91	(3)	755	2,641	3,396
		<u>15,646</u>	<u>17,376</u>	<u>33,022</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 2005/06 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.

17. Accumulated unrestricted funds	Group 2006	Group 2005	Trust 2006	Trust 2005
	£	£	£	£
Trust deficit funds:				
Balance brought forward	29,519,576	26,645,992	29,521,175	26,637,500
Deficit in year	1,831,257	2,873,584	1,870,333	2,883,675
	<u>31,350,833</u>	<u>29,519,576</u>	<u>31,391,508</u>	<u>29,521,175</u>

The above amounts represent the deficit equity of the Trust. The Group figure includes £40,675 (2005: £1,599) of the trading subsidiary retained profit/(losses) carried forward.

18. Restricted Funds	Balance 1 April 2006	Movement in resources		Balance 31 March 2006
	£	Incoming Resources	Expenditure & transfers	£
Lottery Grant Fund	-	1,364,228	1,364,228	-
Environment Agency Grant		10,000		10,000
Organ Appeal Fund	5,776			5,776
Theatre Fund	212	20		232
BBC Studios Fund	400		-	400
	<u>6,388</u>	<u>1,374,248</u>	<u>1,364,228</u>	<u>16,408</u>

The restricted fund balances at 31 March 2005 are represented by cash at bank and in hand of £16,408 (2005: £6,388).

19. Total Funds	Group 2006	Group 2005	Trust 2006	Trust 2005
	£	£	£	£
Balance brought forward	29,153,188	26,645,992	29,514,787	26,637,500
Deficit in year	1,821,237	2,867,196	1,860,313	2,877,287
Balance carried forward	<u>31,334,425</u>	<u>29,513,188</u>	<u>31,375,100</u>	<u>29,514,787</u>
20. Commitments under operating leases	Group 2006	Group 2005	Trust 2006	Trust 2005
Vehicles:	£	£	£	£
Payments due within one year on leases expiring within 1 year		8,114	-	-
Land & Buildings:				
Payments due within one year on leases expiring within 1 year	35,896	-	-	-
leases expiring within 2-5 years				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
21. 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 £29,700, (2005: £25,200). The Audit Commission, 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 the Audit Commission.

22. Private developer

In 1996/97, the Trust carried out a competition to find a private developer to take over the running of Alexandra Park and Palace. The development proposals could only be progressed following parliamentary approval of amendments to the 1985 Alexandra Park and Palace Act to allow a 125 year lease. The amendments passed into law in February 2004. The trustees returned to the preferred developer to establish the level of interest given the passage of time and changes to the leisure market since the development competition. The preferred developer has advised that they have no continuing interest in developing Alexandra Palace. The charity trustees appointed a professional advisory team to provide advice on both the process and the selection of an investment partner. The process concluded with the selection of the Firoka Group on the 30th January 2006. Negotiations on heads of terms, lease details and a development agreement continue. Once concluded the board of charity trustees will formally resolve to request an order under sec. 36 of the Charities Act 1993 from the Charity Commission.

23. Pension schemes**Trust:****a) Defined benefit scheme**

The Trust operates a defined benefit pension scheme for the benefit of the 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 on 12 June 2000.

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 valuation took place in March 2004. The last 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 last actuarial 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	- 6.70% per annum compound
Rate of investment - bonds	- 4.905% per annum compound
Rate of pensionable salary increases (excluding increments)	- 4.40% per annum compound
Rate of price inflation/pensions increases	- 2.90% per annum compound
Discount rate	- 6.30% per annum compound

The level of funding as a whole at 31 March 2004 was 69.0%, and the market value of the Fund at the time of the last valuation was £441 million. The employer's contribution is 18% of salary, increasing to 22.9% with effect from 1 April 2005 as a result of the past service adjustment to fund the deficit over 20 years which accounts for 10.1% of this increased contribution rate. The pension contribution for the year was £56,555 (2005: £53,604).

Additional disclosures regarding the defined benefit pension scheme are required under the transitional provisions of FRS 17 "Retirement benefits". In accordance with FRS 17, the Trust will account for its contributions to the scheme as if it were a defined contribution scheme because it is not possible to identify the Trust's share of the assets and liabilities in the scheme on a consistent and reasonable basis.

Trading company:**a) Defined benefit scheme**

The trading company operates a defined benefit pension scheme for the benefit of 22 scheme members who transferred to the trading company, from the Trust, on 1 November 1999. There are 9 (2005: 11) scheme members still in the employment of the trading company as at 31 March 2005. 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 Fund is independently valued on a regular basis by a firm of actuaries. The last valuation took place in March 2004. 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 assumptions which have the most significant effect on the results of the valuation are:

	Nominal % per annum
Rate of investment - equities	- 7.40% per annum compound
Rate of investment - bonds	- 4.60% per annum compound
Rate of pensionable salary increases (excluding increments)	- 4.60% per annum compound
Rate of price inflation/pensions increases	- 3.10% per annum compound
Discount rate	- 4.90% per annum compound

The level of funding as a whole at 31 March 2004 was 69.0%, and the market value of the Fund at the time of the last valuation was £405 million for the whole of the scheme of which £1,010,000 is the share for Alexandra Palace Trading Limited. Alexandra Palace Trading Limited employer's contribution is 16.5% of salary, decreasing to 16.2% with effect from the 1 April 2005. Alexandra Palace Trading Limited is also paying additional monetary amounts of £114,000 for the year ended 31 March 2006, £119,000 for the year ended 31 March 2007 and £125,000 for the year ended 31 March 2008. The pension contribution for the year was £39,095 (2005: £48,462).

23. Pension schemes (continued)**Trading company:****a) Defined benefit scheme (continued)**

Additional disclosures regarding the company's defined benefit pension scheme are required under the transitional provisions of FRS 17 "Retirement benefits" and these are set out below. The disclosures relate to the third year of the transitional provisions. They provide information which would be necessary if full implementation of FRS 17 in the year ending 31 March 2006 was effected

The parent charity, as stated in note 22 has selected the Firoka Group as its preferred investment partner. Once the 125 year lease has been concluded the 9 staff that retain membership of the Local Government Pension Scheme will transfer to the Firoka Group which then assumes responsibility for all terms and conditions of employment including pension provision.

The trading company will cease trading and the procedures to achieve closure of the company will be undertaken. In the circumstances and given the fundamental changes that are about to take place it has been decided that full adherence to FRS 17 would be unduly onerous and not properly reflect the true position of the company given its limited lifespan which is envisaged to be concluded within the 2nd or 3rd quarter of 2006/7

The actuarial valuation described above has been updated at 31 March 2006 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.

The major assumptions used for the actuarial valuation were:

	Nominal % per annum compound		
	2006	2005	2004
Price increases	3.10	2.90	2.90
Rate of pensionable salary increases (excluding increments)	4.60	4.40	4.40
Rate of price inflation/pensions increases	3.10	2.90	2.90
Discount rate	4.90	5.40	5.50

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2006	2006	2005	2005	2004	2004
	%	£	%	£	%	£
Equities	7.4	1,092,000	7.7	755,000	7.7	720,000
Bonds	4.6	274,000	4.8	215,000	5.1	219,000
Property	5.5	72,000	5.7	52,000	6.5	52,000
Cash	4.6	46,000	4.0	36,000	4.0	19,000
Total fair value of assets		<u>1,484,000</u>		<u>1,058,000</u>		<u>1,010,000</u>
Present value of scheme liabilities		<u>2,028,000</u>		<u>(1,643,000)</u>		<u>(1,557,000)</u>
Net pension liability		<u>(544,000)</u>		<u>(585,000)</u>		<u>(547,000)</u>

Alexandra Palace Trading Limited employer's contribution is 16.5% of salary, decreasing to 16.2% with effect from the 1 April 2005. Alexandra Palace Trading Limited is also paying additional monetary amounts of £114,000 for the year ended 31 March 2006, £119,000 for the year ended 31 March 2007 and £125,000 for the year ended 31 March 2008. The pension contribution (service cost) for the year was £39,095 (2005: £48,462).

For the year ended 31 March 2006, the expected return on the above assets was £78,000 (2005: £72,000) less the interest on pension scheme liabilities of £90,000 (2005: £87,000) gives a net return of (£12,000) (2005: £(15,000)) as the amount credited from other finance income. Therefore overall the net cost to the revenue account for the year ended 31 March 2006 is £57,000 (2005: £66,000) after deduction of the service cost.

Analysis of Amount Recognised in Statement of Total Recognised Gains and Losses (STRGL):		
	2006	2005
	£	£
Actual return less expected return on pension scheme assets	194,000	38,000
Experience gains and losses arising on the scheme liabilities	(1,000)	(16,000)
Changes in financial assumptions underlying the present value of the scheme liabilities	(259,000)	(42,000)
Actuarial gain/(loss) in pension plan	(66,000)	(20,000)
Increase in irrecoverable surplus from membership fall and other factors	-	-
Actuarial gain/(loss) in recognised in STRGL	(66,000)	(20,000)

23. Pension schemes (continued)**Trading company:****a) Defined benefit scheme (continued)**

Movement in Deficit during the year:		
	2006	2005
	£	£
Deficit at beginning of the year (552,000)	(585,000)	(547,000)
Current service cost (49,000)	(45,000)	(51,000)
Employers contributions 45,000	164,000	48,000
Net return on assets (17,000)	(12,000)	(15,000)
Actuarial gains/(losses) 26,000	(66,000)	(20,000)
Deficit at the end of the year	(544,000)	(585,000)

History of Experience Gains and Losses

	2006	2005
	£	£
Difference between the expected and actual return on assets	194,000	38,000
Value of assets	1,484,000	1,058,000
Percentage of assets	13.0%	3.6%
Experience losses on liabilities	(1,000)	(16,000)
Present value of liabilities	2,028,000	1,643,000
Percentage of the present value of liabilities	(0.0%)	(1.0%)
Actuarial gains/(losses)	(66,000)	(20,000)
Present value of liabilities	2,028,000	1,643,000
Percentage of the present value of liabilities	(3.3%)	(1.2%)

The scheme is a closed scheme and therefore under the projected unit method the current service cost would be expected to increase as the members of the scheme approach retirement.

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 £ 24,654(2005: £29,047). Included within creditors is an amount of £0 (2005: £85) in respect of accrued employer contributions.