

Report Title: **Approval of the Trust Financial Statements for the year ended 31st March 2011**

Report of: **Helen Downie, Head of Finance, Alexandra Palace & Park**

1. Purpose

1.1 To obtain the Board's approval of the Trustees' Report and Consolidated Financial Statements for the year ended 31st March 2011.

2. Recommendations

2.1 The Board review the contents of the letter of representations and nominate the Chair to sign the letter on behalf of the charity.

2.2 The Board formally considers whether it is appropriate to prepare the consolidated accounts on a going concern basis.

2.3 The Board approves the Trustees Report and Consolidated Financial Statements for 2010/11 and nominates the Chair to sign them on behalf of the Trust for submission to the Charities Commission.

2.4 The Board notes the content of the report provided by Deloitte on the audit of the consolidated financial statements for the year ended 31st March 2011

2.5 The Board re-appoints Deloitte as auditors to Alexandra Park and Palace Charitable Trust for the financial year 2011/12

Report Authorised by: **Duncan Wilson, Chief Executive**



Contact Officer: Helen Downie, Head of Finance, Alexandra Palace & Park, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 0208 365 4310.

3. Executive Summary

3.1 The audit of the Trust and its wholly owned trading subsidiary for the financial year ended 31st March 2011 is now complete and an unqualified audit opinion has been given. The Trustees' Report and Consolidated Financial Statements are attached as Appendix 1 to this report.

3.2 Prior to the signing of the accounts, the Board is asked to consider and approve the letter of representations to the auditors in relation to the accounts for the year ended 31st March 2011. This is included as Appendix 2 to this report.

3.3 When approving the Trustees' Report and Financial Statements, the trustees should formally consider whether the Trust is able to continue as a going concern for at least twelve months from the date of signing the accounts.

3.4 Deloitte have produced a report to the Board on their findings relating to the audit of the accounts of the Trust and Trading Company and this is attached as Appendix 3 to this report.

3.5 The Board is also asked to formally re-appoint Deloitte as auditors to the Trust for the financial year ended 31st March 2012.

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. Trustees' Report and Consolidated Financial Statements for the year ended 31st March 2011

6.1 The draft results for the 2010/11 financial year were presented to the Board at their meeting of 21st June 2011. The net unrestricted deficit reported at that meeting was £2.33m. There have been no changes to that figure arising from the audit of the Trust or the trading company accounts. A draft Trustees' Report was also presented to that meeting and the trustees were invited to submit any suggested changes to the Head of Finance. No comments on the content of the report have been received from the trustees.

6.2 It was intended to submit the accounts to the Board for approval at the meeting of 21st July 2011 and the accounts were included in the papers for that meeting. Unfortunately, due to time constraints, the Board was unable to consider the accounts at that meeting. The Board's attention is drawn to three minor changes which have been made to the accounts since they were last presented:

- Following the implementation of International Financial Reporting Standards and the Council's subsequent decision to consolidate the accounts of the Trust into its Group accounts, a note has been added to page 10 of the Trustees' Report to explain this development. There is no other impact on the Trust's accounts
- Following the settlement with the ice rink contractor in October 2011, which constitutes an adjusting post balance sheet event for the purpose

of the accounts, the figures for fixed asset additions and accruals have been adjusted

- Income from Alexandra Palace Trading Limited has been re-categorised as 'Investment income' in the Trust's individual SOFA and the notes updated accordingly

- 6.3 The Board's attention is drawn to the requirement to sign the letter of representation. A formal copy will be available for signature at the meeting once the Board has concluded its consideration of the Trustees' Report and Financial Statements.
- 6.3 The auditors' report to the Board is attached at Appendix 3. The auditors have issued an unqualified audit opinion on the accounts.
- 6.4 The Board should note that the Directors' Report and Financial Statements of APTL for the year ended 31st March 2011 were approved by the Directors of the trading company at their meeting of 15th July 2011. In approving the accounts, the Board duly considered whether the trading company is able to continue as a going concern for a period of at least twelve months from the date of signing the accounts. On the basis of evidence provided at the meeting, the Directors concluded that it was appropriate to sign the accounts on a going concern basis.
- 6.5 In approving the consolidated accounts, the trustees are also required to consider whether the Trust is able to continue to trade as a going concern for at least twelve months from the date of signing the accounts. The trustees should consider that the Council is obliged to provide ongoing financial support to the Trust under statute and that a revenue budget of £2.102m and capital budget of £500,000 have been allocated by the Council for the financial year 2011/12. The Council's current policy is to ensure that funds are provided to maintain the Trust's bank balance at a pre-agreed level, thus financing the working capital of the Trust. On this basis, it would be reasonable to conclude that the Trust is able to continue as a going concern for at least 12 months from the date of signing the accounts. On page 6 of their report, Deloitte confirm that they concur with management's conclusion in this regard.
- 6.6 The provision of external audit services to the Trust and trading company was put out to tender in 2009/10 and Deloitte successfully retained the audit. 2011/12 will be their third year of audit following the re-tender.

7. Legal and Financial Comments

- 7.1 The Trust solicitor's comments have been taken into consideration when compiling this report
- 7.2 The Council's Acting Head of Legal Services has no comments on this report
- 7.3 The London Borough of Haringey Chief Finance Officer notes the content of this report

8. Equalities Implications

8.1 There are no perceived equalities implications

9. Use of Appendices / Tables / Photographs

9.1 Appendix I – Trustees' Report and Consolidated Financial Statements for the year ended 31st March 2011

9.2 Appendix 2 – Letter of representations relating to the audit for the year ended 31st March 2011

9.3 Appendix 3A and 3B – Report of the Auditors