

Alexandra Park and Palace
Charitable Trust (“APPCT”)

Report to the Board on the 2011
Audit

Update to the Final Report

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Update to the Final Report

When we presented our Final Report to the audit committee on 14 July 2011, we identified that there were matters outstanding. In addition, some items have arisen since that date. This report provides an update on those matters.

Legal matters

Shortly after we issued our Final Report, on 18 July 2011, further correspondence was received from solicitors acting for Firoka (Alexandra Palace) Ltd and Firoka (Kings Cross) Ltd ("Firoka") in relation to their claim against Haringey Council as trustee of APPCT, which has been previously disclosed as a contingent liability in the financial statements. This has been considered by management and the Trustees, who have concluded that the likelihood of an outflow of economic benefit as a result of a past event remains 'possible', and therefore they continue to disclose the claim in note 26 to the financial statements.

We have reviewed the updated disclosures made in the financial statements and concur that they meet the requirements of FRS 12.

Accounting for the ice rink

At the time of our Final Report, we noted that negotiations were ongoing with the contractor responsible for the ice rink refurbishment over the final account. These negotiations have since been concluded, and this has resulted in a reduction in the contract value, which has been reflected in the updated financial statements.

We concur with management that this represents an adjusting post-balance sheet event, on the basis that it provides updated information on the valuation of the liability that existed at the year end date.

Consolidation of APPCT by Haringey Council

During August 2011, APPCT was informed by Haringey Council that the decision had been made to consolidate the results of APPCT in Haringey Council's financial statements, in accordance with IFRS.

HM Treasury guidance (issued in relation to the consolidation of NHS charities) suggests that consolidation by another body should not threaten a charity's status provided there have been no changes in the charity's operations and decision-making, such that the Trustees are satisfied that they continue to act independently.

We recommended that the Trustees consider this at their next meeting, to confirm that they have considered the implications of this decision. We understand that the Trustees will consider this point at the meeting on 29 November. We will review the disclosures made in the financial statements to consider if they appropriately reflect the decision and its impact.

As a result of this decision, we were asked to make a report to Haringey Council's auditors on the financial statements of APPCT for the purposes of consolidation by Haringey. We completed this work, and as a result charged an additional fee for the audit of £1,500 (plus VAT), which is in addition to the fees reported to you in our Final Report.

Responsibility statement

This report should be read in conjunction with the "Final Report to the Audit Committee" circulated to you on 14 July 2011 and sets out an update on those audit matters of governance interest which came to our attention during the audit and were outstanding at the time of our final report or have arisen since that date. Our audit was not designed to identify all matters that may be relevant to the board and this report is not necessarily a comprehensive statement of all deficiencies which may exist in internal control or of all improvements which may be made.

This report has been prepared for the Board of Trustees, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

Deloitte LLP

Chartered Accountants

Reading
15 November 2011

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