ALEXANDRA PALACE
Charitable Trust

Agenda item:

Alexandra Palace & Park Board **On 14th November 2006**

Report Title: **6 MONTHS RESULTS TO THE END OF SEPTEMBER 2006 + FULL YEAR FORECAST 2006/7**

Report of: **Ken Harrington, Alexandra Palace & Park**

1. Purpose

1.1 To advise the Board of the 6 months result to the end of September 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 6 months to the end of September 2006 contained in the report and summarised at Appendix 1 . The 6+6 forecast against budget is tabulated at Appendix 11.

Report Authorised by: **Ken Harrington, Head of Finance**.....

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3. Executive Summary

3.1 The 6 months result is tabulated at Appendix 1. The 6+6 forecast against budget is tabulated at Appendix 11.

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.

The actual cumulative results for the accounting period to September 2006 (6 months) show an overall saving over budget of £165K (14.1 %) before the inclusion of development costs.**(Appendix 1)**.
The 12 months forecast comprising 6 months' actual results and the remaining 6 months of the budget is shown in **(Appendix 11)**.

Comparison of actual to budget results for the 6 month period (Appendix 1)
Overall net income was £594 K compared to a budget of £539K i.e. an increase of £55K (10.2 %). Detailed comments are as follows:

- Concession/ Leases : Actual results are £17K below budget for the 6 month period arising mainly from the limited use available from the buildings refurbished under the HLF funded works and the lease negotiations on the mast which in the short term is limiting income.

- Net Ice Rink income: Comparison of net actual of £425K with net budget of £351K shows an increase of £74K which is a gain of 21.1% on budget. The results in the ice rink area continue to be very positive

Payroll and contracted services for the period show an overspend overall of £4K when compared with the budget for the period (0.5 %). This variance is analysed as follows:

- Salaries: This shows a saving of £18K (8.4%) over budget for the period of which half the saving is within the Ice Rink area and the rest among the other departments .
- Wages/Casuals : The overspend of £6K (7.2%) arises predominantly within the Ice Rink area and is compensated by the gain on salaries -again within the Ice Rink area - pointed out above. This compensatory effect follows the trend also experienced throughout 2005/6 and is due to the category of labour resource used.
- Contracted services: This shows an increase over budget of £16K (3.0%) for the 6 month period.
- Fixed overheads show an increase over budget of £5K for the 6 month period which represents 2.4 % of the total . This arises mainly within general insurance costs (£14K) with compensatory savings arising in other areas.
- Variable overheads show a saving of £119K over budget which represents 18.1% of the total. This substantial saving is due to efficient financial management relating to the repairs and maintenance of building works. Depreciation is £23K below budget arising from capital expenditure being very carefully monitored.

Development costs: The original development cost budget provided by the local authority was simply sub-divided between the two previous years and as a result no specific budget was allocated by the charity for 2006/7. For comparative purposes the figures at Appendix 11 should be compared with this sum. Costs however are by necessity still being incurred in connection with this ongoing project and as shown on Appendix 1 amount to £167 K. The project itself is in its final stages and an estimate of costs overall will be prepared shortly.

ALEXANDRA PALACE
BUDGET VERSUS ACTUAL
2006-07
£000's

	Cumulative BUDGET MONTH 6	Cumulative ACTUAL MONTH 6	VARIANCE
Concessions/Leases	59	42	(17)
Ice Rink Income	360	433	73
Trading: licence	127	127	0
Community events	0	0	0
Feasibility study contribution	0	0	0
Sundry	2	0	(2)
TOTAL INCOME	**548**	**602**	**54**
Ice Rink Drinks/Food costs	(9)	(8)	1
NET INCOME	**539**	**594**	**55**
Salaries	(215)	(197)	18
Wages/Casuals	(83)	(89)	(6)
Contracted services	(541)	(557)	(16)
PAYROLL & CONTRACTED SERVICES	**(839)**	**(843)**	**(4)**
COSTS BEFORE OVERHEADS	**(300)**	**(249)**	**51**
Fixed Overheads	(213)	(218)	(5)
Variable Overheads	(657)	(538)	119
TRUST BEFORE DEVELOPMENT COSTS	**(1,170)**	**(1,005)**	**165**
Development costs	0	(167)	(167)
TOTAL TRUST OPERATION	**(1,170)**	**(1,172)**	**(2)**

ALEXANDRA PALACE
BUDGET VERSUS FORECAST
2006-07
£000's

	BUDGET 2006-07	6+6 FORECAST	VARIANCE
Concessions/Leases	117	100	(17)
Ice Rink Income	720	793	73
Trading: licence	255	255	0
Community events	59	59	0
Restricted grant	0	0	0
Sundry	4	2	(2)
TOTAL INCOME	**1,155**	**1,209**	**54**
Ice Rink Drinks/Food costs	(19)	(18)	1
NET INCOME	**1,136**	**1,191**	**55**
Salaries	(430)	(402)	28
Wages/Casuals	(165)	(171)	(6)
Contracted services	(1,082)	(1,098)	(16)
PAYROLL	**(1,677)**	**(1,671)**	**6**
COSTS BEFORE OVERHEADS	**(541)**	**(480)**	**61**
Fixed Overheads	(426)	(431)	(5)
Variable Overheads	(1,410)	(1,291)	119
TRUST BEFORE DEVELOPMENT COSTS	**(2,377)**	**(2,202)**	**175**
Development costs	**0**	**(167)**	(167)
TOTAL TRUST OPERATION	**(2,377)**	**(2,369)**	**8**
AP Trading Limited: deed of covenant (forecast only)	1,000	1,000	0
CONSOLIDATED TRUST OPERATION BEFORE LOTTERY FUNDING	**(1,377)**	**(1,369)**	**8**

ALEXANDRA PALACE
BUDGET VERSUS ACTUAL
2006-07
£000's

	Cumulative LAST YEAR	Cumulative ACTUAL MONTH 6	VARIANCE
Concessions/Leases	50	42	(8)
Ice Rink Income	359	433	74
Trading: licence	110	127	17
Community events	5	0	(5)
Grants	10	0	(10)
Sundry	8	0	(8)
TOTAL INCOME	**542**	**602**	**60**
Ice Rink Drinks/Food costs	(7)	(8)	(1)
NET INCOME	**535**	**594**	**59**
Salaries	(198)	(197)	1
Wages/Casuals	(83)	(89)	(6)
Contracted services	(509)	(557)	(48)
PAYROLL & CONTRACTED SERVICES	**(790)**	**(843)**	**(53)**
COSTS BEFORE OVERHEADS	**(255)**	**(249)**	**6**
Fixed Overheads	(199)	(218)	(19)
Variable Overheads	(623)	(538)	85
TRUST BEFORE DEVELOPMENT COSTS	**(1,077)**	**(1,005)**	**72**
Development costs	**(316)**	(167)	149
TOTAL TRUST OPERATION	**(1,393)**	**(1,172)**	**221**