

Charity Number: 281991

Alexandra Park and Palace Charitable Trust

Trustees' Annual Report and Consolidated

Financial Statements

For the year ended 31 March 2013

Alexandra Park and Palace Charitable Trust

Report and financial statements 2013

Contents	Page
Trustees' annual report	Error! Bookmark not defined.1
Independent auditor's report	2
Consolidated statement of financial activities	4
Trust statement of financial activities	5
Consolidated and trust balance sheets	6
Consolidated cash flow statement	7
Notes to the financial statements	8

Alexandra Park and Palace Charitable Trust

Trustees' annual report

To follow

Independent auditor's report to the Trustees of Alexandra Park and Palace Charitable Trust

We have audited the group and parent charity financial statements of Alexandra Park and Palace Charitable Trust for the year ended 31 March 2013 which comprise the Consolidated Statement of Financial Activities, the Trust Statement of Financial Activities, the Consolidated and Trust Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and The Alexandra Park and Palace (Public Purposes) Act 1900. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act and The Alexandra Park and Palace (Public Purposes) Act 1900. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2013, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and The Alexandra Park and Palace (Public Purposes) Act 1900.

Independent auditor's report to the Trustees of Alexandra Park and Palace Charitable Trust (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Deloitte LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom

August 2013

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

Alexandra Park and Palace Charitable Trust

Consolidated statement of financial activities For the year ended 31 March 2013

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	-	559	559	520
Activities for generating funds	4	8,149	-	8,149	6,881
Incoming resources from charitable activities	5	201	-	201	222
Investment income	6	12	-	12	7
Total incoming resources		8,362	559	8,921	7,630
Resources expended:					
Cost of generating funds					
Fundraising trading cost of goods sold and other costs		6,647	-	6,647	5,751
Charitable activities		3,385	49	3,434	3,039
Governance costs		119	-	119	116
Total resources expended	7, 10	10,151	49	10,200	8,906
Net (outgoing)/incoming resources before other recognised gains and losses and transfers					
		(1,789)	510	(1,279)	(1,276)
Transfers	22	506	(506)	-	-
Actuarial loss on pension scheme	26	(55)	-	(55)	(167)
Net movement in funds		(1,338)	4	(1,334)	(1,443)
Opening deficit fund balance 1 April		(44,124)	4	(44,120)	(42,677)
Closing deficit fund balance as at 31 March	23	(45,462)	8	(45,454)	(44,120)

The notes on pages 16 to 35 form an integral part of these financial statements. All of the above amounts are derived from continuing activities.

Alexandra Park and Palace Charitable Trust

Trust statement of financial activities For the year ended 31 March 2013

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2013 £'000	Total 2012 £'000
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	-	559	559	520
Incoming resources from charitable activities	5	201	-	201	222
Investment income	6	1,441	-	1,441	1,064
Total incoming resources		1,642	559	2,201	1,806
Resources expended:					
Charitable activities					
Governance costs		3,384	49	3,433	3,039
		103	-	103	97
Total resources expended	7, 10	3,487	49	3,536	3,136
Net (outgoing)/incoming resources before transfers					
		(1,845)	510	(1,335)	(1,330)
Transfers	22	506	(506)	-	-
Net movement in funds		(1,339)	4	(1,335)	(1,330)
Opening deficit fund balance 1 April		(43,460)	4	(43,456)	(42,125)
Closing deficit fund balance	23	(44,799)	8	(44,791)	(43,455)

The notes on pages 16 to 35 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.

Alexandra Park and Palace Charitable Trust

Consolidated and trust balance sheets As at 31 March 2013

	Note	Group 2013 £'000	Group 2012 £'000	Trust 2013 £'000	Trust 2012 £'000
Fixed assets					
Tangible assets	13	3,689	3,314	3,510	3,302
Investments	14	-	-	-	-
		3,689	3,314	3,510	3,302
Current assets					
Stocks	15	83	98	-	-
Debtors: due within one year	16	617	882	1,903	1,678
Cash at bank and in hand		1,956	3,337	52	57
		2,656	4,317	1,955	1,735
Creditors: amounts falling due within one year	17	(1,775)	(3,620)	(718)	(828)
Net current assets		881	697	1,236	907
Total assets less current liabilities		4,570	4,011	4,747	2,209
Creditors: amounts falling due after more than one year	18	(1,925)	(2,078)	(1,924)	(2,078)
Provisions for liabilities	20	(47,614)	(45,586)	(47,614)	(45,586)
Net liabilities excluding pension scheme liability		(44,969)	(43,654)	(44,791)	(43,455)
Defined benefit pension scheme liability	26	(485)	(466)	-	-
Net liabilities including pension scheme liability		(45,454)	(44,120)	(44,791)	(43,455)
Accumulated deficit					
Unrestricted deficit funds		(46,396)	(44,732)	(46,218)	(44,534)
Designated capital funds		1,419	1,074	1,419	1,074
Pension deficit funds		(485)	(466)	-	-
	21	(45,462)	(44,124)	(44,799)	(43,460)
Restricted funds	22	8	4	8	4
Total deficit	23	(45,454)	(44,120)	(44,791)	(43,455)

Approved by the Board of Trustees on 2013 and signed on its behalf by:

Councillor Matt Cooke

The notes on pages 16 to 35 form an integral part of these financial statements.

Alexandra Park and Palace Charitable Trust

Consolidated cash flow statement For the year ended 31 March 2013

	Group 2013 £'000	Group 2012 £'000
Net cash (outflow)/inflow from operating activities	(455)	2,819
Returns on investments and servicing of finance		
Interest received	12	7
Interest paid	(78)	(76)
Net cash (outflow)/inflow	(521)	2,749
Capital expenditure		
Fixed asset additions	(756)	(489)
Cash outflow before financing	(1,277)	(2,260)
(Loan repayments)/Financing	(104)	78
(Decrease)/increase in cash in the year	(1,381)	2,338
Cash at 1 April	3,337	999
Cash at 31 March	1,956	3,337

Note to the consolidated cash flow statement

	Group 2013 £'000	Group 2012 £'000
Reconciliation of net outgoing resources to net cash inflow from operating activities		
Net outgoing resources before other recognised gains and losses and transfers	(1,279)	(1,276)
Depreciation	381	313
Charges less than pension contributions	(36)	(50)
Interest receivable	(12)	(7)
Interest payable	78	76
Decrease/(increase) in stocks	15	(1)
Decrease in debtors	265	350
(Decrease)/Increase in creditors	(1,895)	692
Increase in provisions	2,028	2,721
Net cash (outflow)/inflow from operating activities	(455)	2,819

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

1. Basis of accounting

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

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing financial support of the corporate trustee. It is the Council's current policy to continue to provide funding to the Alexandra Park and Palace Charitable Trust until such time as the support of the Council is no longer required. The Council has confirmed in writing that it has considered and approved within its budgets funding, including ongoing revenue support, for the Trust for a period of not less than twelve months from the date of signing the accounts. Taking this and any uncertainties into consideration, the trustees believe it is appropriate to prepare these accounts on a going concern basis.

2. Accounting policies

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.

Fund accounting

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 designated capital fund represents the net book value of fixed assets purchased with capital grant funding from the Council since 2009/10.

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.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust is legally entitled to the income, it is virtually certain that the incoming resource will be received and the amount can be quantified with reasonable accuracy. The financial statements therefore reflect income due to the Group but not received by the end of the year.

Income from events and trading activities is recognised at the date of the event. Income from leases is recognised over the period of the lease.

Funds received for the purchase of fixed assets are accounted for as restricted income. Once the acquisition discharges the restriction of the grant then the assets will be held in designated funds. A transfer of the fixed assets from restricted funds will therefore be made to the designated fund in the year of purchase.

Deferred income within creditors is made up of advance lease payments, together with payments that have been received for events that will take place in future years. The bulk of this sum relates to the charity's trading company, Alexandra Palace Trading Limited.

Resources expended and the allocation of expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to this category. 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.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

2. Accounting policies (continued)

Included within this category are costs associated with the strategic as opposed to day to day management of the charity's activities.

Support costs are those costs incurred in support of the expenditure on the objects of the Trust. These support costs are allocated across the categories of charitable expenditure, governance costs and the cost of generating funds.

Investments

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

Valuation of fixed assets

The freehold and fixed assets of the Trust include the Grade II listed Victorian Palace building and its contents, including the Willis organ, and the 79 hectares of parkland. Under the terms of the Alexandra Park and Palace Act 1985, the freehold and fixed assets of the Trust cannot be disposed of.

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. This policy has been continued as reliable cost information is not available and conventional valuation approaches lack sufficient reliability and significant costs would be involved which would 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 Palace and Park:	-	on a straight line basis over 10 to 20 years
Plant and machinery:	-	on a straight line basis over 10 years
Office equipment, furniture and fittings:	-	on a 25% reducing balance basis

Valuation of stocks

Stocks consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value.

Bank account

The Alexandra Park and Palace bank account is included in the arrangements for the Council's pooled account.

Provisions for liabilities

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 2012/2013. 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, up to 2004/05. No interest was charged between 2005/2006 and 2012/2013 as the Council has now written off the debt in its accounts. However, as disclosed in the London Borough of Haringey accounts, the Council has not discharged this debt on the basis that it will still collect should the Trust be in a position in the future to fully or partially repay. On this basis the trustees have continued to carry the liability in the Trust's accounts.

Related party transactions

Because of the close and unique relationship between Haringey Council and Alexandra Park and Palace, there are a significant number of transactions between the two parties. The extent of this relationship is detailed in Note 20 to the financial statements.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

2. Accounting policies (continued)

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.

Pension contributions

The Group operates a defined benefit pension scheme on behalf of certain employees of Alexandra Palace Trading Limited ('APTL'). The scheme is administered by Haringey Council, although the pension funds relating to the APTL employees are held in a separately managed pool within the overall Haringey scheme. The deficit on the scheme is included within the balance sheet at 31 March 2013.

The difference between the fair value of the assets held in the defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's balance sheet as a pension scheme asset or liability as appropriate.

Changes in the defined benefit pension scheme assets or liabilities arising from other factors than cash contributions by the Group are charged to the Statement of Financial Activities in accordance with FRS17.

The Group also operates a defined benefit pension scheme on behalf of certain employees of Alexandra Park and Palace Charitable Trust, also administered by Haringey. However, the pension funds relating to the APPCT employees are not included in a separate pool and as such, it is not practical for a full FRS 17 valuation for the Trust staff to be disaggregated from the London Borough of Haringey pension fund. For this reason, the scheme has been treated as a defined contribution scheme for the purpose of the financial statements.

The Group also operates a defined contribution pension scheme on behalf of certain employees. For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

3. Voluntary income

Voluntary income represents unrestricted and restricted donations to the Trust and includes a £474,000 (2012: £520,000) restricted capital grant from London Borough of Haringey for priority capital works to the building.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

4. Activities for generating funds

Group	2013 £'000	2012 £'000
Income from trading activities	8,149	6,881

5. Incoming resources from charitable activities

Group and Trust	2013 £'000	2012 £'000
Running and maintaining the Park	145	171
Running and maintaining the Palace	56	51
	<u>201</u>	<u>222</u>

During the year Alexandra Park and Palace Charitable Trust reviewed the categories of charitable income and expenditure used to describe its activities. The prior year comparatives have been restated accordingly.

6. Investment income

Group	2013 £'000	2012 £'000
Bank interest	12	7

Trust only		
Gift aid payment from subsidiary	1,261	893
Licence fee	180	170
	<u>1,441</u>	<u>1,063</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

7. Analysis of total resources expended

Group	Direct costs £'000	Support costs £'000	Total 2013 £'000	Total 2012 £'000
Costs of generating funds				
Expenditure of trading subsidiary	6,646	-	6,646	5,751
Charitable expenditure				
Running and maintaining the Park	508	89	597	595
Running and maintaining the Palace	1,742	398	2,140	2,313
Regeneration	586	103	689	131
	<u>2,836</u>	<u>590</u>	<u>3,426</u>	<u>3,039</u>
Governance Costs				
Wages and salaries	-	49	49	39
Professional fees	30	-	30	40
Audit fees	40	-	40	37
	<u>70</u>	<u>49</u>	<u>119</u>	<u>116</u>
Total for Group	<u>9,552</u>	<u>639</u>	<u>10,191</u>	<u>8,906</u>
	Direct costs £'000	Support costs £'000	Total 2013 £'000	Total 2012 £'000
Trust only				
Charitable expenditure				
Running and maintaining the Park	508	89	597	595
Running and maintaining the Palace	1,742	398	2,140	2,313
Regeneration	586	103	689	131
	<u>2,836</u>	<u>590</u>	<u>3,426</u>	<u>3,039</u>
Governance Costs				
Wages and salaries	-	49	49	39
Professional fees	30	-	30	40
Audit fees	24	-	24	37
	<u>54</u>	<u>49</u>	<u>103</u>	<u>116</u>
Total for Trust	<u>2,890</u>	<u>639</u>	<u>3,529</u>	<u>3,136</u>

During the year Alexandra Park and Palace Charitable Trust reviewed the categories of charitable income and expenditure used to describe its activities. The prior year comparatives have been restated accordingly.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

8. Support costs

Group and Trust	2013 £'000	2012 £'000
Wages and salaries	211	251
Overheads	428	398
	<u>639</u>	<u>649</u>

9. Net outgoing resources

	2013 £'000	2012 £'000
Net outgoing resources is stated after charging:		
Fees payable to the charity's auditor for the audit of the charity's annual accounts	19	18
Fees payable to the charity's auditor for other services:		
The audit of the charity's subsidiary, pursuant to legislation	19	16
Tax compliance services	3	3
Operating lease rentals - land and buildings	6	9
Operating lease rentals - plant & machinery	22	10
Depreciation	380	313
	<u>380</u>	<u>313</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

10. Support Costs

Group

Costs directly allocated to activities	Basis of allocation	Cost of generating funds £'000	Running & maintaining the park £'000	Running & maintaining the palace £'000	Regeneration £'000	Governance £'000	Total 2013 £'000	Total 2012 £'000
Support costs allocated to activities								
General Office	Pro rata to expenditure	-	82	285	95	49	511	528
Insurance net of APTL licence	Area	-	-	90	-	-	90	83
Finance & HR	Occupied Pro rata to expenditure	-	7	23	8	-	38	38
Total support costs		-	89	398	103	49	639	649

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

Alexandra Park and Palace Charitable Trust

**Notes to the financial statements
For the year ended 31 March 2013**

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

11. Staff costs

	Group 2013 £'000	Group 2012 £'000	Trust 2013 £'000	Trust 2012 £'000
Wages and salaries	1,997	1,793	323	288
Social security costs	176	143	33	23
Pension costs	157	150	60	43
Agency staff costs	413	403	117	44
	<u>2,743</u>	<u>2,490</u>	<u>533</u>	<u>398</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 were:

	2013 Number	2012 Number
£60,000 - £70,000	1	3
£70,000 - £80,000	2	-
£90,000 - £100,000	-	1
£110,000 - £120,000	1	-

Employer contributions to the defined contribution pension scheme for employees earning over £60,000 in the year were £12,000 (2012: £9,000) relating to one (2012: one) employee. The number of employees earning over £60,000 to whom retirement benefits accrued under defined benefit schemes is one (2012: two).

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 2013	Group 2012	Trust 2013	Trust 2012
Cost of generating funds	63 (39)	60 (23)	-	-
Running the Park & Palace	2 (2)	2 (2)	2 (2)	2 (2)
Regeneration	2 (2)	-	2 (2)	-
Management and administration	11 (11)	11 (11)	4 (4)	2 (2)
	<u>78 (54)</u>	<u>73 (36)</u>	<u>8 (8)</u>	<u>4 (4)</u>

12. Taxation

Alexandra Park and Palace Charitable Trust is a registered charity. As such its sources of income and gains, received under Part 10 of the Income Tax Act 2007 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 its taxable profits to the Trust under Gift Aid. No tax charge has arisen in the year.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

13. Tangible fixed assets

Group	Improvements to Palace and Park £'000	Plant and machinery £'000	Office equipment, furniture and fittings £'000	Total £'000
Cost				
At 1 April 2012	2,767	1,218	623	4,608
Additions	408	113	235	756
At 31 March 2013	3,175	1,331	858	5,364
Depreciation				
At 1 April 2012	331	517	446	1,294
Charge for the year	191	110	80	381
At 31 March 2013	522	627	526	1,675
Net book value				
At 31 March 2013	2,653	704	332	3,689
At 31 March 2012	2,436	702	177	3,314

Trust only	Improvements to Palace and Park £'000	Plant and machinery £'000	Office equipment, furniture and fittings £'000	Total £'000
Cost				
At 1 April 2012	2,767	1,218	574	4,560
Additions	408	86	63	557
At 31 March 2013	3,175	1,304	637	5,116
Depreciation				
At 1 April 2012	331	517	409	1,257
Charge for the year	191	108	49	348
At 31 March 2013	522	625	458	1,605
Net book value				
At 31 March 2013	2,652	679	179	3,510
At 31 March 2012	2,436	702	165	3,428

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

14. Fixed asset investments

Trust only	2013	2012
	£	£
Shares in trading subsidiary		
At 1 April and 31 March	2	2

The Trust owns the entire share capital of its trading subsidiary Alexandra Palace Trading Limited, a company registered in England and Wales. 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 Bar and Kitchen and the ice rink.

Alexandra Palace Trading Limited paid £1,200,000 (2012: £893,000) gift aid 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:

	2013	2012
	£'000	£'000
Turnover	8,148	6,872
Cost of sales	(6,188)	(5,092)
Gross Profit	1,960	1,780
Administrative expenses	(648)	(848)
Operating profit	1,312	932
Interest receivable and other similar income	12	7
Other finance (costs)/gains	(5)	9
Profit paid via gift aid to the trust	(1,261)	(893)
Result for the financial year	58	55
Retained deficit brought forward	(664)	(552)
Actuarial loss on pension fund	(55)	(167)
Retained deficit carried forward	(661)	(664)

15. Stocks

	Group	Group	Trust	Trust
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Food and beverages	68	78	-	-
Disposables	13	17	-	-
Other	2	3	-	-
	83	98	-	-

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

16. Debtors: amounts falling due within one year

	Group 2013 £'000	Group 2012 £'000	Trust 2013 £'000	Trust 2012 £'000
Trade debtors	550	776	26	21
Other amounts due from subsidiary undertaking	-	-	606	704
Gift aid due from subsidiary undertaking	-	-	1,261	893
Other debtors	30	-	-	-
Prepayments and accrued income	37	106	10	59
	<u>617</u>	<u>882</u>	<u>1,903</u>	<u>1,678</u>

17. Creditors: amount falling due within one year

	Group 2013 £'000	Group 2012 £'000	Trust 2013 £'000	Trust 2012 £'000
Trade creditors	799	827	429	383
Taxation and social security	17	129	-	-
Other creditors	23	36	-	-
Accruals	287	560	118	328
Deferred income	496	1,965	18	14
Ice rink refurbishment loans	153	103	153	103
	<u>1,775</u>	<u>3,620</u>	<u>718</u>	<u>828</u>

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

18. Creditors: amount falling due after more than one year

	Group 2013 £'000	Group 2012 £'000	Trust 2013 £'000	Trust 2012 £'000
Ice rink refurbishment loans	1,925	2,078	1,925	2,078

The ice rink refurbishment loans comprise two unsecured long term loans from London Borough of Haringey to refurbish the ice rink facility, of which £153,000 is repayable within one year. £67,000 of the original loan was for five years at zero interest. The remainder was for a twelve year period at an interest rate of 3.5%. £1,158,000 is repayable in more than five years.

19. Deferred income

	Group 2013 £'000	Group 2012 £'000	Trust 2013 £'000	Trust 2012 £'000
Reconciliation of movement:				
Balance brought forward	1,954	1,250	44	49
Amount released to SOFA during the year	(1,954)	(55)	(44)	(49)
Amount deferred during the year	496	759	18	44
Balance carried forward	496	1,954	18	44

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

20. Provisions for liabilities

	Group 2013 £'000	Group 2012 £'000	Trust 2013 £'000	Trust 2012 £'000
Haringey Council: Indemnification	47,614	45,586	47,614	45,586
Reconciliation of movement:				
Balance brought forward	45,586	42,865	45,586	42,865
Deficit support	1,553	1,541	1,492	1,541
Funding of working capital increases	372	1,258	443	1,289
Loan repayment/(increase)	103	(78)	103	(78)
Balance carried forward	47,614	45,586	47,614	45,586

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: general rates of £59,000 (2012: £54,000); exhibition licences of £51,000 (2012: £49,000); public liability insurance £40,000 (2012: £38,000); APTL liability insurance of £20,000 (2012: £19,000); legal and professional fees £13,000 (2012: £50,208); road repairs £35,000 (2012: £nil); printing and other sundry items of £2,000 (2012: £1,000).

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing support of the corporate Trustee, London Borough of Haringey. It is the Council's current policy to continue providing this support until such time as it 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.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

20. Provisions for liabilities (continued)

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

	Accumulated balance £'000	Interest £'000	Total £'000
Indemnification 1991/92 to 1994/95 (1)	5,005	9,881	14,886
Indemnification 1995/96 to 2012/13 (2)	24,437	4,854	29,291
Provision: 1988/89 to 1990/91 (3)	755	2,641	3,396
	<u>30,197</u>	<u>17,376</u>	<u>47,573</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 2012/13 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, the increase in working capital in the year and the capital spend 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.

21. Accumulated unrestricted funds

	Balance 1 April 2012 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Actuarial loss £'000	Balance 31 March 2013 £'000
Trust deficit funds	44,732	(8,362)	10,026	-	-	46,396
Pension deficit funds	466	-	(19)	-	55	485
Designated capital funds	(1,074)	-	161	(506)	-	(1,419)
	<u>44,124</u>	<u>(8,362)</u>	<u>10,115</u>	<u>(506)</u>	<u>55</u>	<u>44,426</u>

The above amounts represent the deficit equity of the Group and include £601,000 (2012: £665,000) of the trading subsidiary retained losses carried forward.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

22. Restricted funds – Group and Trust

	Balance 1 April 2012	Incoming resources £'000	Expenditure and transfers £'000	Balance 31 March 2013
Haringey capital grant	-	474	(474)	-
Environment Agency Grant	1	-	-	1
Organ Appeal Fund	-	12	(4)	8
English Heritage	3	73	(73)	3
	<u>4</u>	<u>559</u>	<u>(551)</u>	<u>12</u>

The restricted funds balance at 31 March 2013 is represented by cash at bank of £8,000.

The Organ Appeal Fund relates to monies raised for restoration of the organ.

The English Heritage Fund relates to monies raised for restoration work to the theatre.

The Haringey capital grant represents funds received for the purchase of fixed assets.

Once an acquisition discharges the restriction of the grant then the assets will be held in designated funds. A transfer of the fixed assets from restricted funds will therefore be made to the designated fund in the year of purchase. £588,000 was transferred from restricted to designated funds in 2012/13 in relation to this.

23. Total funds

	Group 2013 £'000	Group 2012 £'000	Trust 2013 £'000	Trust 2012 £'000
Opening deficit fund balance	44,120	42,677	43,456	40,255
Deficit in year	1,237	1,276	1,335	1,330
Actuarial loss	55	167	-	-
	<u>45,412</u>	<u>44,120</u>	<u>44,791</u>	<u>43,455</u>

24. 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 £34,000 (2012: £33,500).

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

25. Commitments under operating leases – Group only

	2013 £'000	2012 £'000
Payments due within one year on leases expiring:		
Land and buildings		
Within 1 year	6	27
Equipment		
Within 1 year	10	8
Within 2-5 years	17	-
	33	33
	33	33

26. Pension scheme

Trust:

(a) Defined benefit scheme

The Trust operates a defined benefit pension scheme for the benefit of its 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 of 12 June 2000. The pension fund assets and liabilities relating to the employees of the Trust are included within the overall Haringey fund and as such, it is not practical or relevant to produce a full FRS17 valuation at the balance sheet date. For this reason, the scheme is treated as a defined contribution scheme for the purposes of the Trust financial statements. This treatment is consistent with previous years.

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 triennial valuation took place as at 31 March 2010. The valuation was carried out in accordance with Guidelines GN9: Funding Defined Benefits – Presentation of Actuarial Advice published by the Board for Actuarial Standards. The 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	6.1%
Rate of investment – bonds	4.5%
Rate of pensionable salary increases (excl. increments)	1% for 2010 – 2012 reverting to 5.3% thereafter
Rate of price inflation/pensions increases	3.3%
Discount rate	6.1%

Following this valuation, the Actuary agreed that the Trust's contribution would be 23% for the three years of the triennial period.

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

26. Pension scheme (continued)

Trading company:

(a) Defined benefit scheme

The trading company operates a defined benefit pension scheme for the benefit of scheme members who transferred to the trading company, from Alexandra Park and Palace Charitable Trust, on 1 November 1999. There are three (2012: three) scheme members still in the employment of the trading company as at 31 March 2013. 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 Scheme is accounted for in accordance with FRS 17.

The Fund is independently valued on a regular basis by a firm of actuaries. The purpose is to assess the adequacy of the Fund's investments and contributions to meet its liability. The last actuarial valuation took place as at 31 March 2010. The valuation was carried out in accordance with the Guidelines GN9: Funding Defined Benefits – Presentation of Actuarial Advice published by the Board for Actuarial Standards. The 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	6.1%
Rate of investment – bonds	4.5%
Rate of pensionable salary increases (excl. increments)	1% for 2010 – 2012 reverting to 5.3% thereafter
Rate of price inflation/pensions increases	3.3%
Discount rate	6.1%

Alexandra Palace Trading Limited employer's contribution is 18.7% of salary. The pension contribution for the year was £ (2012: £23,000).

The actuarial valuation described above has been updated at 31 March 2013 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 using the current bid price.

The major assumptions used for the actuarial valuation were:

	Nominal % per annum	
	2013	2012
	%	%
Rate of pensionable salary increases (excluding increments)	4.80	5.10
Rate of price inflation/pensions increases	2.50	2.80
Discount rate	4.80	5.50
Expected rate of return on assets	5.60	6.90

The expected rate of return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

Assumptions relating to the average future life expectancy of members at age 65 were as follows:

	Males	Females
Current pensioners	21.9 years	24.7 years
Future pensions	23.3 years	26.1 years

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

26. Pension scheme (continued)

For the year ended 31 March 2013, the expected return on the above assets was £112,000 (2012: £133,000) less the interest on pension scheme liabilities of £117,000 (2012: £124,000) gives a net finance cost of £5,000 (2012: gain £9,000). Therefore overall the net cost to the profit and loss account for the year ended 31 March 2012 is £23,000 (2012: £16,000) after deduction of the current service cost.

Recognition in the profit and loss account

	2013 £'000	2012 £'000
Current service cost	18	25
Interest cost	117	124
Expected return on employer assets	(112)	(133)
	23	16
	23	16

The actual rate of return on plan assets was £71,000 (2012: £71,000).

Reconciliation of defined benefit obligation

	2013 £'000	2012 £'000
Opening Defined Benefit Obligation	2,477	2,274
Current service cost	18	25
Interest cost	117	124
Contributions by members	5	7
Actuarial losses	255	105
Benefits paid	(84)	(58)
	2,788	2,477
	2,788	2,477

Reconciliation of fair value of employer assets

	2013 £'000	2012 £'000
Opening fair value of employer assets	2,011	1,925
Expected return on assets	112	133
Contributions by members	5	7
Contributions by the employer	59	66
Actuarial gains/(losses)	200	(62)
Benefits paid	(84)	(58)
	2,303	2,011
	2,303	2,011

Alexandra Park and Palace Charitable Trust

Notes to the financial statements For the year ended 31 March 2013

26. Pension scheme (continued)

Amounts for the current and four previous accounting periods are as follows:

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Fair value of employer assets	2,303	2,011	1,925	1,805	1,259
Present value of defined benefit obligation	(2,788)	(2,477)	(2,274)	(2,783)	(1,658)
Deficit	(485)	(466)	(349)	(978)	(399)
Experience gains/(losses) on assets	200	(62)	56	372	(450)
Experience gains/(losses) on liabilities	4	(34)	(25)	-	-

None of the above liabilities derive from schemes that are wholly unfunded.

Fair value of employer assets

	2013 £'000	2012 £'000
Equities	1,728	1,448
Bonds	414	402
Property	138	141
Cash	23	20
Total	2,303	2,011

Analysis of amount recognised within net movement in funds in the SOFA:

	2013 £'000	2012 £'000
Actuarial loss	(55)	(167)

The cumulative amount of actuarial losses recognised in the STRGL is £360,000 (2012: £305,000). Contributions of £62,000 are expected to be paid into the scheme during the year to 31 March 2014.

c) 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 £33,761 (2012: £34,000).