

<p>Report Title: Alexandra Park and Palace Trust Financial Results for period 30 November 2015 and Annual Forecast</p>
<p>Report of: Dorota Dominiczak, Director of Finance and Resources, Alexandra Palace Charitable Trust</p>
<p>1. Purpose</p> <p>This paper sets out the results for Alexandra Park and Palace Charitable Trust for 8 months to 30/11/2015 and annual forecast.</p>
<p>2. Recommendation</p> <p>The Board is asked to note the performance of the Trust.</p>
<p>Report Authorised by: Louise Stewart, Chief Executive Officer, Alexandra Park and Palace</p>
<p>Contact Officer: Contact Officer: Natalie Layton, Executive Assistant, Alexandra Park and Palace, Email: Natalie.layton@alexandrapalace.com, Telephone: 020 8365 4335</p>
<p>3. Reasons for any change in policy or for new policy development (if applicable)</p> <p>N/A</p>
<p>4. Local Government (Access to Information) Act 1985</p> <p>N/A</p>

5. Table 1. Incoming Resources – Unrestricted Funds

The Trust funds its unrestricted activities from the London Borough of Haringey (LBH) operating grant and in 2015-16 this grant is £1,900k. It also funds its activities from income received from the Park and Palace tenants of £180k and this income is on target to be achieved. The Trading company pays an annual licence fee for using the Park and Palace which as per current Licence Agreement is £190k pa (Agreement to be renewed in 2016).

The Trading company gift aid target has been revised to £1,633k (£537k up on budget) due to exceptional performance of trading activities, in particular because of additional income from Events and associated catering offer.

The forecast of unrestricted incoming resources for 2015/16 is £3.9m (budgeted at £3.4m).

6. Table 1. Overheads

YTD the majority of budgeted expenditure is on target. Under-spending on Legal and Professional fees is attributable to the hotel project. Maintenance of Park and Palace is likely to be spent on ongoing minor repairs. The Marketing, Advertising and Design budget has been underspent due to a lack of human resource in the Trust and the expenditure has been partly borne by the Trading company; this will be subject to appropriate internal recharge of costs at the year end.

7. Table 2. Designated Funds (Fixed Assets)

The Capital Grant from LBH for 2015-16 is £400k and in addition there is an agreed balance carried forward from 2014-15 of £116k making a total available of £516k. YTD spending and committed projects are on target to expend in 2015-16 – refer to Table 2 for details.

The Trust has been advanced a SIF loan from LBH of £278k for a replacement of lighting in the Great Hall. The loan is repayable over 7 years with 1st repayment of £44,417 due on 1st April 2016. The project is now completed and a new LED lighting will enable annual savings in maintenance and energy usage.

8. Table 3. Restoration Project (Restricted Funds)

The current forecast of incoming resources for the Project in 2015-16 is £1,735k being £500k from LBH and £1,235k from the HLF (as per The HLF Agreement 70% of the Project's expenditure is funded by HLF and 30% by LBH and fundraising).

Since the start of Phase 2, two Claims for funding to HLF have been submitted and payment received. Table 3 provides details of forecast expenditure for the Project in 2015-16, this is subject to revisions as advised by the Project manager Mott MacDonald – we are currently awaiting a revised 2016-2018 Cash Flow Projection and in the new financial year we will report on the income and expenditure over a duration of the Project to enable a meaningful monitoring of its progress

9. Table 4. Consolidated position of the Trust (for information only)

Table 1: APPCT Unrestricted Funds

APPCT YTD and Forecast For 8 Months Ending 30th November 2015	Cum 30/11/2015			Year 2015/16		
	Budget	Actual	Diff	Budget	Forecast	Diff
Unrestricted Activities						
Trust Income	£	£	£	£	£	£
LBH Grant - Operational	1,264,000	1,889,620	625,620	1,900,000	1,889,620	(10,380)
Palace APTL Licence	126,664	126,664	0	190,000	190,000	-
Palace Leases	58,875	48,167	(10,708)	78,500	67,792	(10,708)
Park Leases	43,283	69,028	25,745	86,566	112,311	25,745
Learning & Community	3,000	22,069	19,069	3,200	22,269	19,069
Gift Aid	-	-	-	1,096,202	1,633,358	537,156
Facilities Income (Recharges to Tenants)	27,850	29,152	1,302	47,830	49,132	1,302
Total Incoming Resources	1,523,672	2,184,700	661,028	3,402,298	3,964,482	562,184
Overheads						
Cost of Sales	-	5,439	5,439	-	5,439	5,439
Wages & Salaries (including pension & Ni)	373,104	358,255	(14,849)	582,440	580,687	(1,753)
Other Wage Costs (Agency,Welfare,Travel)	34,114	16,247	(17,867)	48,460	46,593	(1,867)
Maintenance Contract Palace	355,450	295,642	(59,808)	495,450	470,531	(24,919)
Maintenance Contract Park	215,883	196,258	(19,625)	294,386	274,760	(19,625)
Repair & Maintenance Other	91,202	113,747	22,545	162,908	185,453	22,545
Security Control	311,000	297,679	(13,321)	464,100	450,779	(13,321)
Cleaning & Pest	1,000	41	(959)	2,000	1,041	(959)
Rates & Insurance	227,997	220,469	(7,528)	342,000	334,472	(7,528)
Office expenses (Hire,stationery)	71,129	63,841	(7,288)	107,410	100,122	(7,288)
Utilities	82,770	69,826	(12,944)	125,300	112,356	(12,944)
Software & IT	41,100	55,630	14,530	58,900	73,430	14,530
Sundries, Meeting & Subscriptions	27,629	15,682	(11,947)	41,845	29,898	(11,947)
Marketing, Advertising & Design	65,888	41,782	(24,106)	97,060	72,954	(24,106)
Legal & Professional	253,892	136,570	(117,322)	328,164	283,842	(44,322)
Depreciation (Unrestricted are loan Assets)	89,968	81,758	(8,210)	134,952	126,742	(8,210)
Interest on Loan Assets	42,400	52,173	9,773	63,595	73,368	9,773
Banking Costs	-	478	478	0	478	478
APTL Cost recharges	51,336	51,336	-	77,000	77,000	-
Contingency	5,000	-	(5,000)	35,000	35,000	-
Total Outgoing Resources	2,340,863	2,072,853	(268,010)	3,460,970	3,334,944	(126,025)
Result	(817,191)	111,847	929,038	(58,672)	629,538	688,210

Table 2: APPCT Designated Funds (Fixed Assets)

	£	£	£
	Received	Committed	Total
LBH Capital Grants			
LBH Grant - Capital 2015/16	100,000	300,000	400,000
LBH Grant - Agreed Carried Forward 14/15	-	115,991	115,991
Total Grants	100,000	415,991	515,991
	£	£	£
	Spent	Committed	Total
Capital Expenditure			
AC Units	6,461	-	6,461
Fire Alarm System	108,362	-	108,362
Roof Works	1,114	-	1,114
Sundries	412	-	412
Furniture	2,395	-	2,395
Generator – replacement of electric battery	12,577	-	12,577
Trend Control Ice Rink	13,674	-	13,674
Gas Main Replacement	-	200,000	200,000
Roof Repair Package Phase 1	-	85,096	85,096
Fabric maintenance	-	85,900	85,900
	144,995	370,996	515,991
	£	£	£
	Spent	Committed	Total
SIFF Expenditure (Loan)			
LED Lighting	203,601	74,779	278,380

Table 3: APPCT Restoration Project

APPCT YTD and Forecast For 8 Months Ending 30th November 2015	Cum 30/11/2015			Year 2015/16		
	Budget	Actual	Diff	Budget	Forecast	Diff
Restoration Project						
Trust Income	£	£	£	£	£	£
Donations	-	7,056	7,056	-	7,056	7,056
	-	7,056	7,056	-	7,056	7,056
Regeneration Grants	942,100	816,355	(125,745)	1,457,460	1,735,715	278,255
Match Funding	238,025	-	(238,025)	839,875	-	(839,875)
	1,180,125	816,355	(363,770)	2,297,335	1,735,715	(561,620)
Total Incoming Resources	1,180,125	823,411	(356,714)	2,297,335	1,742,771	(554,564)
Overheads						
Wages & Salaries (including pension & Ni)	46,432	34,091	(12,341)	69,644	57,303	(12,341)
Pre Construction Works	53,084	-	(53,084)	739,365	569,213	(170,152)
Design	496,550	587,190	90,640	646,569	737,209	90,640
Project Management	95,331	81,258	(14,073)	117,815	103,742	(14,073)
Quantity Surveyors Fees	120,961	64,884	(56,077)	167,529	111,452	(56,077)
CDM	3,960	-	(3,960)	6,168	2,208	(3,960)
Energy & Sustainability	2,500	-	(2,500)	5,000	2,500	(2,500)
Structural Blast	1,000	-	(1,000)	1,000	-	(1,000)
Vehicular Dynamics	550	-	(550)	550	-	(550)
Transportation	10,000	-	(10,000)	10,000	-	(10,000)
Archives	5,355	4,970	(385)	9,644	9,259	(385)
Surveys	58,500	79,820	21,320	97,500	118,820	21,320
Access	-	-	-	2,230	2,230	-
Building Control Fees	-	3,497	3,497	-	3,498	3,498
Procurement	10,000	-	(10,000)	20,000	10,000	(10,000)
External Labour	-	11,803	11,803	-	11,803	11,803
Legal	7,000	-	(7,000)	15,000	8,000	(7,000)
Banking Costs	-	7	7	-	7	7
Consultants	26,184	-	(26,184)	43,641	17,457	(26,184)
Other	912	-	(912)	1,519	607	(912)
Total Outgoing Resources	938,319	867,520	(70,799)	1,953,174	1,765,307	(187,867)
Result	241,806	(44,110)	(285,916)	344,161	(22,537)	(366,698)

Table 4: APPCT (Total Incoming and Expended resources)

APPCT YTD and Forecast For 8 Months Ending 30th November 2015	Cum 30/11/2015			Year 2015/16		
	Budget	Actual	Diff	Budget	Forecast	Diff
Total Trust						
Trust Income	£	£	£	£	£	£
LBH Grant - Operational	1,264,000	1,889,620	625,620	1,900,000	1,889,620	10,380.45
LBH Grant - Capital	266,664	100,000	(166,664)	400,000	400,000	-
Palace APTL Licence	126,664	126,664	-	190,000	190,000	-
Palace Leases	58,875	48,167	(10,708)	78,500	67,792	(10,708)
Park Leases	43,283	69,028	25,745	86,566	112,311	25,745
Learning & Community	3,000	22,069	19,069	3,200	22,269	19,069
Gift Aid	-	-	-	1,096,202	1,633,358	537,156
Facilities & Donation Income	27,850	36,208	8,358	47,830	56,188	8,358
	1,790,336	2,291,756	501,420	3,802,298	4,371,538	569,240
Regeneration Grants	942,100	816,355	(125,745)	1,457,460	1,735,715	278,255
Match Funding	238,025	-	(238,025)	839,875	-	(839,875)
	1,180,125	816,355	(363,770)	2,297,335	1,735,715	(561,620)
Total Incoming Resources	2,970,461	3,108,111	137,650	6,099,633	6,107,253	7,620
Overheads						
Cost of Sales	-	5,439	5,439	-	5,439	5,439
Wages & Salaries (including pension & Ni)	419,536	392,346	(27,190)	652,084	637,989	(14,095)
Other Wage Costs (Agency,Welfare,Travel)	34,114	16,247	(17,867)	48,460	46,593	(1,867)
Maintenance Contract Palace	355,450	295,642	(59,808)	495,450	470,531	(24,919)
Maintenance Contract Park	215,883	196,258	(19,625)	294,386	274,760	(19,625)
Repair & Maintenance Other	91,202	113,747	22,545	162,908	185,453	22,545
Security Control	311,000	297,679	(13,321)	464,100	450,779	(13,321)
Cleaning & Pest	1,000	41	(959)	2,000	1,041	(959)
Rates & Insurance	227,997	220,469	(7,528)	342,000	334,472	(7,528)
Office expenses (Hire,stationery)	71,129	63,841	(7,288)	107,410	100,122	(7,288)
Utilities	82,770	69,826	(12,944)	125,300	112,356	(12,944)
Software & IT	41,100	55,630	14,530	58,900	73,430	14,530
Sundries, Meeting & Subscriptions	27,629	15,682	(11,947)	41,845	29,898	(11,947)
Marketing, Advertising & Design	65,888	12,076	(53,812)	97,060	43,248	(53,812)
Legal & Professional	1,145,779	969,992	(175,787)	2,211,694	1,991,839	(219,855)
Depreciation (Unrestricted are loan Assets)	279,304	240,276	(39,028)	418,952	379,924	(39,028)
Interest on Loan Assets	42,400	52,173	9,773	63,595	73,368	9,773
Banking Costs	-	485	485	-	485	485
APTL Cost recharges	51,336	81,042	29,706	77,000	106,706	29,706
Contingency	5,000	-	(5,000)	35,000	35,000	-
Total Outgoing Resources	3,468,518	3,098,891	(369,626)	5,698,144	5,353,434	(344,710)
Result	(498,057)	9,220	507,276	401,489	753,819	352,330

11. Legal Implications

The Council's Assistant Director of Corporate Governance has been consulted in the preparation of this report, and has no comments.

12. Financial Implications

The Council's Chief Financial Officer has been consulted on this report and welcomes the strong income position in the unrestricted fund. There is also a level of underspending which is welcome if it is an indicator of good financial control and value for money. Where slippage on expenditure is incurred it will be important to ensure that this is reflected in future year budgets and plans. Overall however the information presented in this report indicates an overall level of good financial performance.

13. Use of Appendices

None.