

ALEXANDRA PARK AND PALACE
CHARITABLE TRUST BOARD
19th JULY 2016

Agenda Item: 12

Report Title: Alexandra Park and Palace Charitable Trust Financial Results with annual forecast

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Purpose:

This paper sets out the financial results for Alexandra Park and Palace Charitable Trust for the 2 months to 31.05.2016.

Local Government (Access to Information) Act 1985

N/A

1. Recommendations

To note the performance of the Trust.

2. Results for 2 months to 31.05.2016

2.1 The Trust performed on budget with no material variances noted.

2.2 The operating grant drawdown of £850,000 in April and May from Haringey Council to the Trust, was in accordance with the pre-agreed funding schedule.. This ensured timely payments for daily expenditure of the Trust as well as cashflow for the East Wing Project while the HLF monthly grant claims were being processed. By way of explanation, we expect and anticipate a two month time

difference between the period in which the Project expenditure is incurred and the Claim is settled by the HLF.

- 2.3 The 2016-17 licence fee for the use of the Palace by APTL has already been invoiced and settled by APTL, which means that cash funds are readily available in the Trust's bank account. The annual licence fee is £300,000 for 2016-17.
- 2.4 The Palace and Park leases for April 2016 have been invoiced and settled by the tenants.
- 2.5 Since the Trust's bank account has been separated from Haringey Council's group of accounts (in November 2015) the management of cash funds for the Trust and the East Wing Project has been easier and the Trust is able to control its cash flow in accordance with its needs.
- 2.6 The bank balance at 31st May was £665,000 and this included £200,000 for a restricted capital expenditure on the Palace improvements (this represents half of the 2015-16 capital grant). It also included funds available to repay the 2015-16 loan commitments (lighting SIF (sustainable investment fund) loan of £42,000, Ice Rink SIF loan of £13,000, and Ice Rink repayment of main loan of £164,000). We have received instructions from the Council's treasury to settle these loans.
- 2.7 The 2015-16 capital improvements grant from the Council is £400,000. To date £23,000 has been spent on replacing a battery system for emergency lighting. The 2015-16 schedule of priority works is being finalised. This will include: permanent roof access to the Great Hall roof and Lightwell, Great Hall Fire alarm installation, Great Hall iron frame preservation, and East Court roof repair package.
- 2.8 East Wing Project
 - 2.8.1 The progress of the East Wing Project is reported as a separate agenda item. Appendix 2 of this report provides details of the Projects finances.
 - 2.8.2 HLF claims are made monthly in anticipation of a future cash flow requirement. Claims are settled monthly by HLF and this has a positive impact on our management of cash funds for the Project.
 - 2.8.3 Haringey Council's grant commitment for the Project is £3,900,000 as approved by Haringey Council Cabinet on 23rd February 2015. Haringey Council agreed in principle at its Capital Board on 30th June to re-phase the grant to £5,000,000 in 2016-17 with further discussions to fund 'gaps' in the cash flow projection as necessary. This is not a reflection of an anticipated over-spending on the Project.
 - 2.8.4 VAT on expenditure has a significant impact on the Project's cash flow and we now have a mechanism in place to claim VAT back on a monthly basis – agreed with the Council's finance, treasury and operational teams.

2.9 No material variances to the annual budget are anticipated but if any emerge they will be reported on a timely basis.

3. Legal Implications

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

4. Financial Implications

4.1 The Council's Chief Financial Officer has been consulted in the preparation of this report, and has no comments.

5. Use of Appendices

Appendix 1 – Table 1

Appendix 2 – Cash flow for HLF Project

Table 1 - APPCT
YTD and Forecast
For 2 Months Ending 31st May
2016

	Cum 31/05/2016			Year 2016/17		
	Budget	Actual	Diff	Budget	Forecast	Diff
Unrestricted Activities						
Trust Income	£	£	£	£	£	£
LBH Grant - Operational	850,000	850,000	0	1,900,000	1,900,000	(0)
LBH Grant - Capital	0	0	0	0	0	0
Palace APTL Licence	50,000	50,000	0	300,000	300,000	0
Palace Leases	21,235	21,135	(100)	67,100	67,000	(100)
Park Leases	26,443	30,279	3,836	118,872	122,708	3,836
Learning & Community	8,400	2,180	(6,220)	30,100	23,880	(6,220)
Gift Aid	0	0	0	1,320,795	1,320,795	0
Other	0	25,272	25,272	23,495	48,767	25,272
	956,078	978,866	22,788	3,760,362	3,783,150	22,788
Regeneration Grants	0	0	0	0	0	0
Match Funding	0	0	0	0	0	0
	0	0	0	0	0	0
Total Incoming Resources	956,078	978,866	22,788	3,760,362	3,783,150	22,788
Overheads						
Cost of Sales	1,320	322	(998)	6,810	5,812	(998)
Wages & Salaries (including pension & Ni)	142,469	146,656	4,187	931,283	925,846	(5,437)
Other Wage Costs (Agency, Welfare, Travel)	5,320	1,274	(4,046)	76,556	72,260	(4,296)
Maintenance Contract Palace	63,000	48,139	(14,861)	384,000	379,139	(4,861)
Maintenance Contract Park	62,142	60,774	(1,368)	323,768	322,400	(1,368)
Repair & Maintenance Other	26,024	11,951	(14,073)	227,100	224,127	(2,973)
Security Control	84,500	78,379	(6,121)	488,100	487,979	(121)
Cleaning & Pest	1,500	3,516	2,016	10,700	12,716	2,016
Rates & Insurance	62,158	62,155	(3)	342,624	342,621	(3)
Office expenses (Hire, stationery)	16,060	9,615	(6,445)	95,060	93,505	(1,555)
Utilities	21,460	13,597	(7,863)	122,760	122,397	(363)
Software & IT	14,014	2,558	(11,456)	64,584	64,128	(456)
Sundries, Meeting & Subscriptions	1,115	645	(470)	8,589	8,119	(470)
Marketing, Advertising & Design	11,634	726	(10,908)	113,650	109,842	(3,808)
Legal & Professional	42,600	34,166	(8,434)	325,200	328,066	2,866
Depreciation (Unrestricted are loan Assets)	20,392	20,078	(314)	122,352	120,468	(1,884)
Interest on Loan Assets	8,604	8,726	122	107,624	108,356	732
Banking Costs	100	(43)	(143)	600	457	(143)
APTL Cost recharges	13,010	13,010	0	78,060	78,060	0
Contingency	0	0	0	0	0	0
Total Outgoing Resources	597,422	516,245	(81,177)	3,829,420	3,806,299	(23,121)
Result	358,656	462,621	103,965	(69,058)	(23,149)	45,909