

Report Title: **Provisional full year out-turn 2007/08**

Report of: **David Loudfoot, General Manager**

1. Purpose

1.1 To provide the trustees with advance notice of the provisional full year out-turn.

2. Recommendations

2.1 The Board are asked to note the provisional income and expenditure for year ended 31 March 2008.

2.2 The Board are asked to note the annual external audit is underway and that audited accounts will be presented to a future meeting of the Board in time to meet the Charity Commission deadline for submission of accounts.

2.3 Detailed management accounts will be presented alongside the audited accounts to assist with the interpretation of the accounts.

Report Authorised by: **David Loudfoot, General Manager** 

Contact Officer: David Loudfoot, General Manager, Alexandra Palace & Park, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 020 8365 2121.

3. Executive Summary

3.1 This report details the provisional full out turn for the year 2007/08.

4. Reasons for any change in policy or for new policy development (if applicable).

4.1 Not applicable.

5. Local Government (Access to Information) Act 1985

5.1 No specific background papers were used in compiling this report.

6. Description

- 6.1 The Board at its meeting on 6th February 2007 agreed to set its net budget estimate for 2007/08 at £740,000. This estimate reflected the limited direct activity of the charity post the grant of the lease and mainly comprised the maintenance of the parkland, maintenance of the through road, maintenance of the buildings within the park (excluding the Palace), security within the park and professional fees associated with monitoring the development.
- 6.2 Arising from the uncertainty in respect of the actual date of receipt of the Order and subsequent transfer to the Firoka Group at that time the Board was advised that a minimum of a further £65,000 per month would be required for each month that the transfer of the asset was delayed.
- 6.3 The original budget assumption was that the lease would be completed early on in the financial year and as such did not allow for the professional fees and other costs arising from the ensuing delay to the completion of the development project.
- 6.4 In consequence of the court declaring that the Charity Commission order authorising grant of the lease was unlawful it could not be completed and accordingly all liabilities remained with the charity, including rates and insurances, contracts for security, and maintenance together with ongoing repairs and maintenance of the main building. Costs of the building borne due to the delay in granting the lease are estimated at £892k. This is above the predicted £65k per month, but not out of line in terms of final annual deficit position in previous years.
- 6.5 Additional costs have been identified in relation to continuing the development process including legal costs estimated at £915K and also estimated costs borne during the short term licence arrangement of £769k. This is broadly in line with the revised forecast, reflecting the changed circumstances that the Board considered at its meeting of the 17th December, subsequently considered by LBH and resulting in amendment to the allocated deficit funding provision.
- 6.6 The year end figure of £3.1million is in line with the revised deficit requested by the board and adopted by Cabinet in December 2007.
- 6.7 Following the termination of the licence agreement with Firoka, the Alexandra Palace Trading Company has again been instrumental in delivering the vibrant events programme at the Palace. The operation of the ice rink was transferred to the Trading Company in January as the profile of use now includes significant use that is mixed purpose rather than purely primary purpose and as such could attract a tax liability if not undertaken by the Trading Company..
- 6.8 Since the Trading Company is wholly owned by the charity, its accounts are consolidated into the charity accounts as group accounts.
- 6.9 The Accounts of the charity for the year ended 31st March 2008 have to be submitted to the Charity Commission by no later than 31st January 2009.

- 6.10 Trustees should note that the accounts of the Charity do not form part of the accounts of the London Borough of Haringey, however, a draft set of the accounts figures including draft notes to the accounts have been presented to the authority for use as an appendix to their accounts. This draft is attached for information as Appendix II.
- 6.11 The trustees will be asked to formally consider the year end management accounts alongside the final version of the audited accounts and this will be after the external audit has been completed, however, draft management accounts are provided here for reference and will be presented again along with a detailed narrative when the trustees consider the audited accounts. The tabulation at Appendix I summarises the financial information for the year ending 31st March 2008.
- 6.12 Work has begun on the independent external audit of the groups accounts and the implementation of the boards resolution to fully adopt FRS 17 in relation to pension funding for the group accounts for the year ending 31st March 2008.
- 6.13 Once the bulk of the external audit is complete, the General Manager will circulate to Trustees a draft text of the trustee report for inclusion into the formal accounts, this is in order that trustees have opportunity to comment on the contents prior to the finalisation of the text.
- 7. Consultation**
- 7.1 N/A
- 8. Recommendations**
- 8.1 The Board are asked to note the income and expenditure for the year.
- 9. Legal and Financial Comments**
- 9.1 The LBH Chief Financial Officer has been provided with a copy of this report and his comments have been sent on a separate sheet alongside this report.
- 9.2 The Trust's Solicitor has been sent a copy of this report.
- 10. Equalities Implications**
- 10.1 There are no perceived equalities implications in this report.
- 11. Use of Appendices / Tables / Photographs**
- 11.1 Appendix I - Draft full year management accounts.
- 11.2 Appendix II – Draft notes as supplied to LBH.

**ALEXANDRA PALACE
BUDGET VERSUS ACTUAL
2007-08
£000's**

	Cumulative BUDGET MONTH 12	Cumulative actual MONTH 12	VARIANCE
Concessions/Leases	46	152	106
Community events	0	48	48
ice rink	5	108	103
TOTAL INCOME	51	308	257
Salaries	(840)	(1,079)	(239)
Wages/casuals		0	0
Contracted services	(1,093)	(1,081)	12
PAYROLL & CONTRACTED SERVICES	(1,933)	(2,160)	(227)
COSTS BEFORE OVERHEADS	(1,883)	(1,852)	31
Fixed Overheads	(65)	(501)	(436)
Variable Overheads	(1,211)	(1,286)	(75)
Total	(3,159)	(3,639)	(480)
APTL covenant	0	540	540
TOTAL TRUST OPERATION	(3,159)	(3,099)	60

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Appendix II

TRUSTEES' ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

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Charity Number: 281991

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

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ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Trustees' Annual Report for the year ended 31 March 2008.

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ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Independent auditors' Report to Trustees of Alexandra Park and Palace

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ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Independent auditors' Report to Trustees of Alexandra Park and Palace (page 2)

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ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Consolidated Statement of Financial Activities for the year ended 31st March 2008

	Unrestricted Funds	Restricted Funds	Total 2008	Total 2007
Note	£	£	£	(restated) £
Incoming resources:				
Incoming resources from generated funds				
Voluntary income	3	-	306,638	1,225,028
Activities for generating funds	5	2,013,998	-	4,701,375
Incoming resources from charitable activities				
Other incoming resources	4	308,507	-	1,189,217
		80	80	2,182
Total incoming resources		2,322,585	306,638	2,629,223
		306,638	2,629,223	7,117,802
Resources Expended:				
Cost of generating funds				
Fundraising Trading cost of goods sold and other costs	6	1,442,098	-	4,044,448
Charitable activities		3,881,348	307,038	4,853,275
Pension impact		(130,000)	-	(110,000)
Governance costs		93,792	-	92,348
Total Resources expended	6	5,287,238	307,038	8,880,071
Net (outgoing)/incoming resources		(2,964,653)	(400)	(2,965,053)
Actuarial gains on pension scheme		80,000	-	132,000
		(2,884,653)	(400)	(2,885,053)
Opening deficit fund balance 1 April		(33,246,468)	39,774	(31,334,425)
Prior year adjustment		(302,000)	-	(544,000)
Opening deficit fund restated		(33,548,468)	39,774	(31,878,425)
Closing deficit fund balance	20	(36,433,121)	39,374	(36,393,747)
		(36,433,121)	39,374	(36,393,747)

The notes on pages XX to XX 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

Trust Statement of Financial Activities for the year ended 31st March 2008

	Note No.	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Incoming resources:					
Incoming resources from generated funds					
Voluntary income	3	-	306,638	306,638	1,225,028
Activities for generating funds	5	540,000	-	540,000	660,885
Incoming resources from charitable activities	4	308,507	-	308,507	1,189,217
Other incoming resources		80	-	80	2,182
Total incoming resources		848,587	306,638	1,155,225	3,077,312
Resources Expended:					
Charitable activities		3,881,348	307,038	4,188,386	4,853,275
Governance costs		65,792	-	65,792	66,848
Total Resources expended	6	3,947,140	307,038	4,254,178	4,920,123
Net (outgoing)/incoming resources		(3,098,553)	(400)	(3,098,953)	(1,842,811)
Opening deficit fund balance 1 April		(33,257,685)	39,774	(33,217,911)	(31,375,100)
Closing deficit fund balance as at 31 March	20	(36,356,238)	39,374	(36,316,864)	(33,217,911)

The notes on pages XX to XX 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 31st March 2008.

	Group 2008	Group 2007 (Restated)	Trust 2008	Trust 2007
Note No.	£	£	£	£
Fixed assets				
Tangible assets	12	490,472	572,408	484,798
Investments	13	-	-	2
		490,472	572,408	484,800
Current assets				
Stocks	14	116,428	122,860	46,984
Debtors	15	425,238	711,711	970,393
Cash at bank and in hand		1,792,575	1,058,999	300
		2,334,241	1,893,570	1,017,677
Creditors:				
Amount falling due within one year	16	(1,762,542)	(1,098,439)	(455,423)
Net current assets		571,699	795,131	562,254
Total assets less current liabilities		1,062,171	1,367,539	1,047,054
Provision	17	(37,363,918)	(34,574,233)	(37,363,918)
Pension scheme liability	23	(92,000)	(302,000)	-
Total Net Liabilities		(36,393,747)	(33,508,694)	(36,316,864)
Accumulated Funds:				
Unrestricted deficit funds	18	(36,433,121)	(33,548,468)	(36,356,238)
Restricted Funds	19	39,374	39,774	39,374
Total Funds		(36,393,747)	(33,508,694)	(36,316,864)

Approved by the Board of Trustees on [date of meeting to be inserted] and signed on its behalf by:

Councillor XXXXXXXXXXXX

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

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

Consolidated Cashflow Statement for the year ended 31st March 2008

	Group 2008 £	Group 2007 £	
reconciliation of net outgoing resources to net cash inflow from operating activities			
net outgoing resources	(2,965,053)	(1,872,269)	
Depreciation	110,097	116,761	
Pension impact	(130,000)		
Interest receivable	(43,065)	(63,648)	
Decrease in stocks	6,432	58,775	
Decrease in debtors	286,473	93,412	
Increase/(decrease) in creditors	663,897	(783,932)	
Increase in provision	2,789,685	1,551,794	
Net Cash inflow/(outflow) from operation activities	718,466	(899,107)	
 CASH FLOW STATEMENT:			
	Group 2008 £	Group 2007 £	
Net cash inflow/(outflow) from operating activities	718,466	(899,107)	
 Returns on investments and servicing of income:			
Interest received	43,065	63,648	
 Capital expenditure			
Payments to acquire tangible fixed assets	(27,955)	(17,952)	
(Decrease) in cash	733,576	(853,411)	
Cash at 1 April	1,058,999	1,912,410	
Cash at 31 March	1,792,575	1,058,999	
 Analysis of changes in cash			
	31 March 07 £	Change in Year £	31 Mar 08 £
Cash at bank and in hand	1,058,999	733,576	1,792,575

The notes on pages X to XV form an integral part of these financial statements.

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Notes to the Financial Statements for the year ended 31st March 2008.

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.

Changes in accounting policy

The financial statements reflect the adoption during the year of FRS17, retirement benefits. FRS17 requires any surplus or deficit on the Company's defined benefit scheme to be included in the balance sheet and changes the method of determining the profit or loss charge. The impact of this change in accounting policy is shown in the prior year adjustment note below.

2. Accounting policies

(a) 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.

(b) Fund accounting and permanent endowment

Under the terms of the Alexandra Park and Palace Act 1985, the freehold and fixed assets of the Trust cannot be permanently disposed of. Under the terms of the Charities Act 1993 and the SORP 2005, these are inalienable assets and may be considered a permanent endowment although capable of being leased.

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 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.

(c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. The financial statements therefore reflect income due to the Trust but not received by the end of the year. Funds received for the purchase of fixed assets are accounted for as restricted income.

The treatment of the assets provided depends upon the restriction imposed by the grant and as the fixed assets' acquisition discharges the restriction then the assets will be held in the unrestricted funds. A corresponding transfer of the associated restricted income will be made to the unrestricted fund in the year of purchase.

Income in advance within creditors is made up of payments that have been received for events that will take place in future years. By far the bulk of this sum relates to the charity's trading company, Alexandra Palace Trading Limited. Once the transaction with the preferred investor has reached a satisfactory conclusion, these monies will be duly paid over to the new investment partner who will assume responsibility for holding these events.

(d) 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

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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. 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.

(e) Investments

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

(f) Valuation of fixed assets

The Act that established the Trust and set down the framework within which it should operate places restrictions on asset disposal. It has been accepted that the Parliamentary Scheme was necessary before any redevelopment can take place. 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. With regard to assets brought forward at the beginning of the year this policy has continued as reliable cost information is not available and conventional valuation approaches lack sufficient reliability and significant costs would be involved which may 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 the park:	-on a straight line basis over 10 years.
Plant & Machinery:	-on a straight line basis over 10 years.
Office equipment, furniture and fittings:	-on a 25% reducing balance basis.

(g) Valuation of stock

Stock consists of purchased goods for resale, marketing publications, china and cutlery and other sundry items. Stock is valued at the lower of cost and net realizable value.

(h) Bank account

The Alexandra Park and Palace bank account is included in the arrangements for the Council's pooled account. This amount is included in the balance sheet both as an asset and as an amount due to Haringey Council.

(i) Provision

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 2007/2008. 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 in 2005/2006, 2006/2007 nor in 2007/2008.

(j) Related party transactions

Because of the close and unique relationship between Haringey Council and Alexandra Park and Palace, there is a significant number of transactions between the two parties. The extent of this relationship is

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detailed in note 17 to the financial statements.

(k) Leases

Parts of the Trust's assets are subject to leasing arrangements.

(l) 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.

(m) Pension contributions

The Group operates a defined benefit pension scheme on behalf of seven employees. The deficit on the scheme is included within the balance sheet.

The group adopted accounting standard FRS17 'Retirement Benefits' during the year. The impact of this standard has been reflected throughout the financial statements. Prior period comparatives have been restated where appropriate.

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.

The carrying value of any resulting pension scheme asset is restricted to the extent the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is recognised net of any related deferred tax balance.

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.

3. Restricted Funds: grants

Restricted fund grants of £230,183 (2007: £889,832) was received from the Heritage Lottery Grant with £76,855 (2007: £297,085) from the London Borough of Haringey for major works to the park.

4. Incoming resources from charitable activities

	2008	2007
	£	£
Ice rink	108,426	984,246
Community events	48,486	50,898
Leases and concessions	151,595	154,073
Total income	308,507	1,189,217

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

5. Activities for generating funds

Alexandra Park & Palace Charitable Trust owns the entire share capital of Alexandra Palace Trading Limited, a company registered in England. 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 Phoenix Public House. Alexandra Palace Trading Limited retained £3,900 of its profit this year with the remainder being gift aided 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:

Alexandra Palace Trading Limited

	2008	2007
	£	£
Income from events	1,807,935	4,161,872
Income from Phoenix public house	162,998	475,856
Interest receivable	43,065	63,648
Total Income	2,013,998	4,701,376
Cost of sales	1,221,951	3,117,237
Cost of operating expenses	248,147	952,711
	1,470,098	4,069,948
Net income to the group	543,900	631,428
Less: Licence fee to the Trust	-	(255,000)
Deed of Covenant/Gift Aid to the Trust	(540,000)	(405,885)
Retained profit/(loss)	3,900	(29,457)
Retained profit brought forward	11,218	40,675
Retained profit carried forward	15,118	11,218

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6. Analysis of total resources expended.

Group:

	Direct costs £	Support costs £	2008 Total £	2007 Total £
Costs of generating fund				
Expenditure of trading subsidiary	1,442,098	0	1,442,098	4,044,448
Charitable expenditure				
Ice Rink	544,209	102,098	646,307	739,425
Community events	130,582	5,672	136,254	126,927
Leases and concessions	208,794	4,254	213,048	61,239
Repairs and maintenance of building/park	2,210,495	196,317	2,406,812	3,291,206
Security of building/park	717,900	68,065	785,965	634,478
	3,811,980	376,406	4,188,386	4,853,275
Pension impact	(130,000)		(130,000)	(110,000)
Governance costs				
Wages and salaries	-	17,792	17,792	19,408
Professional fees	-	30,000	30,000	26,940
Audit fee	-	46,000	46,000	46,000
	0	93,792	93,792	92,348
Total for Group	5,124,078	470,198	5,594,276	8,880,071

Trust Only:

	Direct costs £	Support costs £	2008 Total £	2007 Total £
Charitable expenditure				
Ice Rink	544,209	102,098	646,307	739,425
Community events	130,582	5,672	136,254	126,927
Leases and concessions	208,794	4,254	213,048	61,239
Repairs and maintenance of building/park	2,210,495	196,317	2,406,812	3,291,206
Security of building/park	717,900	68,065	785,965	634,478
	3,811,980	376,406	4,188,386	4,853,275
Governance Costs				
Wages and salaries	-	17,792	17,792	19,408
Professional fees	-	30,000	30,000	26,940
Audit fee	-	18,000	18,000	20,500
	0	65,792	65,792	66,848
Total for Trust	3,811,980	442,198	4,254,178	4,920,123

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7. Support costs

	Group 2008	Group 2007
	£	£
Management costs	0	1,228
Wages and salaries	191,364	210,417
Overheads	278,834	396,479
	<u>470,198</u>	<u>608,124</u>

8. Deficit on current year activities

	Group 2008	Group 2007
	£	£
Operating deficit is stated after charging:		
Auditors' remuneration: audit fee	46,000	46,000
Operating lease rentals - land and buildings	35,896	35,896
Operating lease rentals - vehicles	3,585	3,585
Depreciation	116,761	116,761

The trustees received no remuneration from the charity (2007 £Nil) and were not reimbursed for any of their expenses by the charity during the year (2007-£Nil).

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9. Analysis of costs by activity GROUP

Costs directly allocated to activities	Basis of allocation	Other		Ice Rink	Security of building and park	Community Events	Leases and Concessions	Repairs and maintenance	Governance	Total 2008		Total 2007
		£	(130,000)							£	£	
Pension impact	Direct		(130,000)	-	-	-	-	-	-	(130,000)	-	-
Expenditure of trading subsidiary	Direct	1,442,098		-	-	-	-	-	28,000	1,470,098	4,069,949	-
Salaries	Direct			198,034	410,104	-	138,727	726,459	-	1,473,324	1,532,020	-
Professional fees	Direct			2,598	-	-	4,675	111,818	30,000	149,091	82,319	-
Parks lottery expenditure	Direct			-	-	-	-	307,038	-	307,038	1,201,662	-
Overheads	Direct			168,024	401	114,946	42,374	733,156	-	1,058,901	1,117,319	-
Audit fees	Direct			-	-	-	-	-	18,000	18,000	20,500	-
Direct costs	Direct			2,630	-	-	-	795	-	3,425	31,152	-
Support costs allocated to activities												
General office and finance support staff	Staff time & area average			-	-	-	-	-	17,792	17,792	19,408	-
Apportioned overhead cost	Staff time & area average			172,922	307,395	15,636	23,018	331,229	-	850,200	399,966	-
Apportioned support and overhead cost	Staff time & area average			102,098	68,065	5,672	4,254	196,317	-	376,406	515,776	-
Total for Group		1,312,098		646,306	785,965	136,254	213,048	2,406,812	93,792	5,594,275	8,990,071	

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.

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9. Analysis of costs by activity - continued TRUST ONLY

Costs directly allocated to activities	Basis of allocation	Other	Ice Risk	Security of building and park	Community Events	Leases and Concessions	Repairs and maintenance	Governance	Total 2008	Total 2007
		£	£	£	£	£	£	£	£	£
Interest payable	Direct	-	-	-	-	-	-	-	-	-
Salaries	Direct	-	198,034	410,104	-	138,727	726,459	-	1,473,324	1,532,020
Professional fees	Direct	-	2,598	-	-	4,675	111,818	-	149,091	82,319
Parks lottery expenditure	Direct	-	-	-	-	-	307,038	30,000	307,038	1,201,662
Overheads	Direct	-	168,024	401	114,946	42,374	733,156	-	1,058,901	1,117,319
Audit fees	Direct	-	-	-	-	-	-	18,000	18,000	20,500
Direct costs	Direct	-	2,630	-	-	-	795	-	3,425	31,152
Support costs allocated to activities										
General office and finance support staff	Staff time & area average							17,792	17,792	19,408
Apportioned overhead cost	Staff time & area average		172,922	307,395	15,636	23,018	331,229	-	850,200	399,966
Apportioned support and overhead cost	Staff time & area average		102,098	68,065	5,672	4,254	196,317	-	376,406	515,776
Total for Trust		0	646,306	785,965	136,254	213,048	2,406,812	65,792	4,254,177	4,920,122

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

10. Staff Costs

	Group 2008	Group 2007	Trust 2008	Trust 2007
	£	£	£	£
Wages and salaries	TBC	1,551,775	1,521,913	627,672
Social security costs	TBC	130,079	TBC	34,607
Pension costs	TBC	125,049	TBC	60,016
Agency staff costs	TBC	943,430	TBC	505,927
	TBC	2,750,333	1,521,913	1,228,222

The allocation of the staff costs is to be updated prior to presentation to the trustees.

The number of employees whose emoluments as defined for taxation purposes amounted to over £50,000 in the year was as follows:

	Group 2008	Group 2007	Trust 2008	Trust 2007
£50,001-£60,000	TBC	1	TBC	0
£60,001-£70,000	TBC	1	TBC	1

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 2008	Group 2007	Trust 2008	Trust 2007
	Number	Number	Number	Number
Ice rink	TBC	16(4)	TBC	16(4)
Repairs and maintenance including park	TBC	2(2)	TBC	2(2)
Community events	TBC	-	TBC	-
Cost of generating funds	TBC	31(16)	TBC	-
Support costs	TBC	2(2)	TBC	2(2)
Management and administration	TBC	9(8)	TBC	2(2)
	TBC	60(32)	TBC	22 (10)
	To update		To update	

The allocation of the staff numbers is to be updated prior to presentation to the trustees.

11. Taxation

Alexandra Park and Palace Charitable Trust is a registered charity. As such its sources of income and gains, received under Section 505 of the Taxes Act 1988 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 all taxable profits to the Trust under Gift Aid. No tax charge has arisen in the year.

ALEXANDRA PARK AND PALACE CHARITABLE TRUST

12. Tangible fixed assets

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
	£	£	£	£
Trust only:				
Cost: At 1st April 2007	197,346	482,497	333,995	1,013,838
Additions		610	27,345	27,955
At 31st March 2008	197,346	483,107	361,340	1,041,793
Depreciation: At 1st April 2007	59,204	194,561	193,133	446,898
Charge for the year	19,734	48,311	42,052	110,097
At 31st March 2008	78,938	242,872	235,185	556,995
Net Book Value				
At 31st March 2008	118,408	240,235	126,155	484,798
At 31st March 2007	138,142	287,936	140,862	566,940

	Improvements to park	Plant & Machinery	Office Equipment, furniture and fittings	Total
	£	£	£	£
Group				
Cost: At 1st April 2007	197,346	482,497	366,507	1,046,350
Additions		610	28,917	29,527
At 31st March 2008	197,346	483,107	395,424	1,075,877
Depreciation: At 1st April 2007	59,204	194,561	220,177	473,942
Charge for the year	19,734	48,311	43,418	111,463
At 31st March 2008	78,938	242,872	263,595	585,405
Net book value:				
At 31st March 2008	118,408	240,235	131,829	490,472
At 31st March 2007	138,142	287,936	146,330	572,408

13. Fixed Asset Investments

Trust only:	2008	2007
	£	£
Shares in trading subsidiary at 1st April and 31 March	2	2

The Trust owns the entire share capital of its trading subsidiary (see note 5).

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14. Stock

	Group 2008	Group 2007	Trust 2008	Trust 2007
	£	£	£	£
China and cutlery	41,984	47,593	41,984	47,593
Food and beverages	69,444	58,716	-	-
Publications and stationery	5,000	16,551	5,000	5,676
	116,428	122,860	46,984	53,269

15. Debtors

	Group 2008	Group 2007	Trust 2008	Trust 2007
	£	£	£	£
Trade debtors	303,273	92,828	55,288	-
Other amounts due from subsidiary undertaking	-	-	299,448	264,375
Deed of covenant/gift aid due from subsidiary undertaking	-	-	540,000	405,885
Other debtors	11,571	132,380	10,867	113,620
Prepayments and accrued income	110,394	486,503	64,790	433,025
	425,238	711,711	970,393	1,216,905

16. Creditors: amount falling due within one year

	Group 2008	Group 2007	Trust 2008	Trust 2007
	£	£	£	£
Trade creditors	716,069	109,894	60,585	-
Other taxes and social security cost	74,670	-	2,254	-
Other creditors	150	330,576	150	330,576
Accruals	398,648	416,529	165,525	159,403
Income in advance	346,096	247,543	-	-
Haringey Council: Bank Account	226,909	(6,103)	226,909	(6,103)
	1,762,542	1,098,439	455,423	483,876

Income in Advance is payments received for events that will take place in future years. The Trust's bank account is part of Haringey Council's pooled account, and the amount is shown both as an asset and a liability to the Trust as the bank account is owed in its entirety to the Council.

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17. Provision

	Group 2008 £	Group 2007 £	Trust 2008 £	Trust 2007 £
Haringey Council: Indemnification	37,363,918	34,574,233	37,363,918	34,574,233
Reconciliation of movement:				
Balance brought forward	34,574,233	33,022,439	34,574,233	33,022,439
Amount charge to SOFA	444,292	329,466	444,292	329,466
Transfer to bank less VAT debtor	2,345,393	1,222,328	2,345,393	1,222,328
Balance carried forward	37,363,918	34,574,233	37,363,918	34,574,233

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: central administration of £TBC (2007: £30,000); entertainment licences of £43,419 (2007: £46,104); public liability insurance £TBC (2007: £34,574); provision of park patrol service £TBC (2007: £33,620); legal expense £TBC (2007: £1,625); printing and other sundry items of £TBC (2007: £3,654). XXXXXXXXXX wishes to voluntarily declare that he receives £TBC (2007: £12,525) as a Special Responsibility Allowance payment from Haringey Council's Corporate Funds (not charged to the Trust) with Charity Commission knowledge and consent for his appointment as Chair of the Board

Alexandra Park and Palace is a going concern because the overall trustee, Haringey Council, uses its corporate funds to support the revenue deficits of the Trust. It is the Council's current policy to continue providing this support until responsibility for the assets passes to a private developer and the support of the Council 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.

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

	Accumulated Balances £'000	Interest £'000	Total £'000
Indemnification 1991/92 to 1994/95 (1)	5,005	9,881	14,886
Indemnification 1995/96 to 2007/08 (2)	14,228	4,854	19,082
Provision: 1988/99 to 1990/91 (3)	755	2,641	3,396
	19,988	17,376	37,364

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.

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2. This is the amount relating to the operational deficits for 1995/96 to 2007/08 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 and the increase in working capital 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.

18. Accumulated unrestricted funds

	Group 2008	Group 2007 Restated	Trust 2008	Trust 2007
	£	£	£	£
Trust deficit funds:				
Balance brought forward	33,246,468	31,350,833	33,257,685	31,391,508
Prior year adjustment	302,000	544,000	0	0
Balance brought forward restated	33,548,468	31,894,833	33,257,685	31,391,508
Deficit in year	2,884,653	1,895,635	3,098,553	1,866,177
Balance carried forward	36,433,121	33,790,468	36,356,238	33,257,685

The above amounts represent the deficit equity of the Trust. The Group figure includes £15,118 (2007:£11,218) of the trading subsidiary retained profit/losses) carried forward.

19. Restricted Funds

Movement in Resources

	Balance 1 April 2007	Incoming Resources	Expenditure & transfers	Balance 31 Mar 2008
	£	£	£	£
Lottery Grant Fund	-	307,037	307,037	-
Environment Agency Grant	1,168	-	-	1,168
Organ Appeal Fund	5,776	-	-	5,776
Theatre Fund	232	-	-	232
BBC Studios Fund	400	-	(400)	-
English Heritage	32,198	-	-	32,198
	39,774	307,037	306,637	39,374

The restricted fund balance at 31 March 2008 are represented by cash at bank and in hand of £39,374

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20. Total Funds	Group 2008 £	Group 2007 £	Trust 2008 £	Trust 2007 £
		Restated		
Balance brought forward	33,508,694	31,334,425	33,217,911	31,375,100
Prior year adjustment	302,000	544,000	0	0
	<u>33,810,694</u>	<u>31,878,425</u>	<u>33,217,911</u>	<u>31,375,100</u>
Deficit in year	2,885,053	1,630,269	3,098,953	1,842,811
Balance carried forward	<u>36,695,747</u>	<u>33,508,694</u>	<u>36,316,864</u>	<u>33,217,911</u>

21. Commitments under operating leases	Group 2008 £	Group 2007 £	Trust 2008 £	Trust 2007 £
Vehicles:				
Payments due within one year on leases expiring within 1 year.				
Land and Buildings:				
Payments due within one year on leases expiring within 1 year.	<u>35,896</u>	<u>35,896</u>		

22. 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 £46,000, (2007: £46,000).

The Local Authority external auditor, as part of the external audit of the Council's accounts, reviews the financial statements for Alexandra Park and Palace Charitable Trust. The Council meets the fee of this external auditor.

23. Pension Scheme Trust:

(a) Defined benefit scheme

The Trust operates a defined benefit pension scheme for the benefit of the 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 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 31st March 2007. The last triennial actuarial valuation was carried out in accordance with Guidelines GN9: Retirement Benefit Schemes - Actuarial reports published by the Institute of Actuaries and the Faculty of Actuaries. The last actuarial 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	7.70% per annum compound
Rate of investment – bonds	5.70% per annum compound
Rate of investment – property	5.70% per annum compound
Rate of investment – cash	4.80% per annum compound
Rate of pensionable salary increases (excl. increments)	5.10% per annum compound

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Rate of price inflation/pensions increases	3.60%	per annum compound
Discount rate	6.90%	per annum compound

The level of funding as a whole at 31 March 2004 was 69.0%, and the market value of the Fund at the time of the last valuation was £405 million. Following the valuation the actuary certified a phased increase of the contribution rate: 2005/6 19.6%, 2006/7 21.2% and 2007/8 22.9%. The contribution rate is split 10.1% between the past service adjustment to fund the deficit over 20 years and the future service rate of 12.8%. The pension contribution for the year was £TBC (2007: £60,015). The latest interim valuation as at March 2006 and February 2007 show an improvement in funding to 76% which reflects strong returns from fund investments although these were not prepared in accordance with GN9.

The next triennial valuation took place at the 31st March 2007 with results due in 2008.

The trading company operates a defined benefit pension scheme for the benefit of 22 scheme members who transferred to the trading company, from the trust on 1 November 1999. There are 7 (2007: 7) scheme members still in the employment of the trading company as at 31 March 2008. 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 company has complied with FRS 17 and has accounted for contributions in accordance with FRS17.

This section to be revised and rewritten when the March 2008 triennial valuation report is received.

Trading company:

(b) Defined benefit scheme

The Fund is independently valued on a regular basis by a firm of actuaries. The last valuation took place in March 2007. The purpose is to assess the adequacy of the Fund's investments and contributions. The last actuarial 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	7.70%	per annum compound
Rate of investment – bonds	5.70%	per annum compound
Rate of investment – property	5.70%	per annum compound
Rate of investment – cash	4.80%	per annum compound
Rate of pensionable salary increases (excl. increments)	5.10%	per annum compound
Rate of price inflation/pensions increases	3.60%	per annum compound
Discount rate	6.90%	per annum compound

The market value of the Fund at the time of the last valuation was £619 million for the whole of the scheme of which £1,602,000 is the share for Alexandra Palace Trading Limited. Alexandra Palace Trading Limited employer's contribution is 16.2% of salary. Alexandra Palace Trading Limited is also paying additional monetary amounts of £119,000 for the year ended 31 March 2007 and £125,000 for the year ended 31 March 2008. The pension contribution for the year was £32,000 (2007: £38,769).

The actuarial valuation described above has been updated at 31 March 2008 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.

The major assumptions used for the actuarial valuation were:

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	Nominal % per annum compound		
	2008	2007	2006
Price increased	3.60	3.20	3.10
Rate of pensionable salary increases (excluding increments)	5.10	4.70	4.60
Rate of price inflation/pensions increases	3.60	3.20	3.10
Discount rate	6.90	5.40	4.90

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2008	2008	2007	2007	2006	2006
	%	£	%	£	%	£
Equities	7.7	1,120,000	7.8	1,255,000	7.4	1,092,000
Bonds	5.7	340,000	4.9	331,000	4.6	274,000
Property	5.7	80,000	5.8	97,000	5.5	72,000
Cash	4.8	62,000	4.9	54,000	4.6	46,000
Total fair value of assets		<u>1,602,000</u>		<u>1,737,000</u>		<u>1,484,000</u>
Present value of scheme liabilities		<u>1,694,000</u>		<u>2,039,000</u>		<u>2,028,000</u>
Net pension liability		<u>(92,000)</u>		<u>(302,000)</u>		<u>(544,000)</u>

For the year ended 31 March 2008, the expected return on the above assets was £127,000 (2007: £108,000) less the interest on pension scheme liabilities of £111,000 (2007: £101,000) gives a net return of £16,000 (2007: (£7,000)) as the amount credited from other finance income. Therefore overall the net cost to the revenue account for the year ended 31 March 2008 is £27,000 (2007: £49,000) after deduction of the service cost.

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Analysis of amount recognised in statement of total recognised Gains and Losses (STRGL):

	2008	2007
	£	£
Actual return less expected return on pension scheme assets	(206,000)	(5,000)
Experience gains and losses arising on the scheme liabilities	(67,000)	(1,000)
Changes in financial assumption underlying the present value of the scheme liabilities	353,000	138,000
Actuarial gain/(loss) in pension plan	80,000	132,000
Increase in irrecoverable surplus from membership fall and other factors	0	
Actual gain/(loss) in recognised in STRGL	<u>132,000</u>	<u>132,000</u>

	2008	2007
	£	£
Movement in Deficit during the year:		
Deficit at beginning of the year	(302,000)	(544,000)
Employers contributions	(43,000)	(56,000)
Net return on assets	157,000	159,000
Actuarial gains/(losses)	16,000	7,000
Deficit at the end of the year	<u>80,000</u>	<u>132,000</u>
	<u>(92,000)</u>	<u>(302,000)</u>

History of Experience Gains and Losses	2008	2007	2006	2005	2004
	£	£	£	£	£
Difference between the expected and actual return on assets	(206,000)	(5,000)	194,000	38,000	126,000
Value of assets	1,602,000	1,737,000	1,484,000	1,058,000	1,010,000
Percentage of assets	(12.90)%	(0.30)%	13.0%	3.60%	12.50%
Experience losses on liabilities	(67,000)	(1,000)	(1,000)	(16,000)	(2,000)
Present value of liabilities	1,694,000	2,039,000	2,028,000	1,643,000	1,557,000
Percentage of the present value of liabilities	4.0%	0.0%	(0.0%)	(1.0%)	(0.1%)
Actuarial gains/(losses)	80,000	132,000	(66,000)	(20,000)	26,000
Present value of liabilities	1,694,000	2,039,000	2,028,000	1,643,000	1,557,000
Percentage of the present value of liabilities	4.7%	6.5%	(3.3%)	(1.2%)	1.70%

The scheme is a closed scheme and therefore under the projected unit method the current service cost would be expected to increase as the members of the scheme approach retirement.

This section to be revised and rewritten when the March 2008 triennial valuation report is received.

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(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 £TBC (2007: £26,264).

DRAFT

Comments of the London Borough of Haringey Chief Financial Officer:

Gerald Almeroth LBH CFO has been supplied a copy of this report and provided the following comment:

“The report presents the summary provisional outturn position for 2007/08 and it is noted that the overall outturn is marginally below the revised budget position. It is also noted that the detailed financial statements are currently undergoing external audit as part of the standard process and will be considered by the board at a future meeting”