

ALEXANDRA PALACE AND PARK ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2000

	Resources Arising 1999/2000 £000's	Resources Used 1999/2000 £000's	Net Resources Used 1999/2000 £000's	Net Resources Used 1998/99 £000's (Memo only)
Direct Charitable Activities:				
Events	(4,126)	3,227	(899)	(203)
Ice Rink	(564)	657	93	(67)
Phoenix Pub	(623)	698	75	3
Park and Concessions	(164)	860	696	436
Interest receivable	(24)	-	(24)	-
Sub Total	(5,501)	5,442	(59)	169
Other Expenditure:				
Management and Administration		454	454	410
Interest		1,566	1,566	1,353
Net Movement in Funds	(5,501)	7,462	1,961	1,932
Opening Deficit Fund Balances			15,381	13,449
Deficit Fund Balances Carried Forward at 31st March 2000			17,342	15,381

The comparative figures above are in respect of the Trust only as the wholly owned trading company only commenced trading on 1 September 1999.

The notes on pages 5 to 14 form an integral part of these accounts. There were no other recognised gains or losses in either year except for those dealt with above.

ALEXANDRA PALACE AND PARK ACCOUNTS

TRUST STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2000

	Resources Arising 1999/2000 £000's	Resources Used 1999/2000 £000's	Net Resources Used 1999/2000 £000's	Net Resources Used 1998/99 £000's
Direct Charitable Activities:				
Trust Activities				
Events	(1,380)	1,513	133	(203)
Ice Rink	(564)	657	93	(67)
Phoenix Pub	(328)	417	89	3
Park and Concessions	(291)	860	569	436
Deed of covenant from Alexandra Palace Trading Ltd	(836)	-	(836)	-
Sub Total	(3,399)	3,447	48	169
Other Expenditure:				
Management and Administration		349	349	410
Interest		1,566	1,566	1,353
Net Movement in Funds	(3,399)	5,362	1,963	1,932
Deficit Fund Balances Brought Forward at 1st April 1999			15,381	13,449
Deficit Fund Balances Carried Forward at 31st March 2000			17,344	15,381

The notes on pages 5 to 14 form an integral part of these accounts. There were no other recognised gains or losses in either year except for those dealt with above.

ALEXANDRA PALACE AND PARK ACCOUNTS

BALANCE SHEETS AT 31ST MARCH 2000

		Group 31st March 2000 £000's	Trust 31st March 2000 £000's	Group/Trust 31st March 1999 £000's
Fixed Assets:	Notes:			
Tangible Fixed Assets	4	9	-	-
Investments	5	-	-	-
Total Fixed Assets		9	-	-
Current Assets:				
Debtors	6	548	1,125	306
Stock	7	188	93	167
Cash at Bank and in Hand	8	2,699	1,665	1,624
Total Current Assets		3,435	2,883	2,097
Creditors: Amounts Falling Due Within One Year:				
Income in Advance	8	(244)	-	(86)
Creditors	8	(772)	(457)	(224)
London Borough of Haringey: Bank Account	8	(1,655)	(1,655)	(1,608)
Provisions	8	-	-	(30)
Total Liabilities		(2,671)	(2,112)	(1,948)
Net Current Assets		764	771	149
Total Assets Less Current Liabilities		773	771	149
Creditors: Amounts Falling Due After More Than One Year:				
London Borough of Haringey : Indemnification	9	(18,115)	(18,115)	(15,530)
Total Long Term Liabilities		(18,115)	(18,115)	(15,530)
Total Net Liabilities		(17,342)	(17,344)	(15,381)
Accumulated Funds:				
Unrestricted Funds (Deficit)	10	(17,342)	(17,344)	(15,381)
TOTAL: Unrestricted Funds (Deficit)		(17,342)	(17,344)	(15,381)

Approved by the Board of Trustees on 26 October 2000 and signed on its behalf by:

Councillor Nigel Willimott

The notes on pages 5 to 14 form an integral part of these accounts.

ALEXANDRA PALACE AND PARK ACCOUNTS

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2000

	Group 1999/2000 £000's	Group 1998/99 £000's
Reconciliation of Changes in Resources to Net Cash Inflow from Operating Activities:-		
Change in Resources	(1,961)	(1,932)
Depreciation	1	-
Interest receivable	(24)	-
Increase in Stocks	(21)	(14)
Increase in Debtors	(229)	(156)
Increase in Creditors	723	346
Increase in Long Term Creditors	2,585	2,538
Other Balances	-	(46)
Net Cash Inflow from Operating Activities	1,074	736
Cashflow Statement:		
Net Cash Inflow from Operating Activities	1,074	736
Returns on investments and servicing of finance		
Interest received	11	-
Capital Expenditure		
Payments to acquire tangible fixed assets	(10)	-
Increase in cash	1,075	736
Cash at 1st April 1999	1,624	888
Cash at 31st March 2000	2,699	1,624

NOTES TO CASHFLOW STATEMENT

ANALYSIS OF CHANGES IN CASH

	31st March 2000 £000's	31st March 1999 £000's	Change in Year £000's
Cash in bank and in hand	2,699	1,624	1,075
TOTAL GROUP	2,699	1,624	1,075

ALEXANDRA PALACE AND PARK ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

These accounts incorporating a Statement of Financial Activities, have been prepared in accordance with the Statement of Recommended Practice (SORP) on 'Accounting by Charities' and applicable accounting standards.

2. ACCRUALS OF INCOME AND EXPENDITURE (SSAP2)

The Statement of Financial Activities is prepared on an income and expenditure basis. The accounts reflect income due to the Trust but not received at the 31st March 2000, and expenditure owed by the Trust, but not paid.

3. GOING CONCERN

Alexandra Palace and Park is a going concern in so far that Haringey Council has provided support for previous years' deficits. 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.

All the deficits incurred fall due to Haringey Council and are included in the creditor shown on the balance sheet.

4. ALLOCATION OF EXPENDITURE

Charitable expenditure and administration costs count as direct expenditure. This includes direct staff costs attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources.

Management and administration costs are those incurred in connection with the management of the Trust's assets, organisational administration and compliance with constitutional and statutory requirements.

5. SEGMENTAL REPORTING (SSAP25)

In accordance with accounting practices, this year's Statement of Financial Activities reflects the different types of service the Trust provides. It allocates the costs of those activities on a fair and equitable basis to arrive at the net movement in resources for each segment.

This format is used to enable the reader of these accounts to understand more fully the types of activities carried out by the Trust and the resources generated and utilised to pursue those activities.

6. BASIS OF CONSOLIDATION

The consolidated financial statements comprise those of the Trust and its wholly-owned subsidiary, Alexandra Palace Trading Limited. These are entirely of an unrestricted nature. The basis of consolidation is on a line by line basis.

7. THE RELATIONSHIP BETWEEN THE TRUST AND THE LONDON BOROUGH OF HARINGEY

Under the terms of the 1985 Alexandra Palace and Park Act, the Council is Trustee for the Palace and Park.

The day to day management of the Trust is undertaken by a board of 9 Councillors nominated by Haringey Council. These Councillors have responsibilities as Charity Trustees for Alexandra Palace and Park.

All employees of the Trust are employees of Haringey Council as trustee and are included in the Council's pension arrangements.

Because of the uncertainty created by the complex legislative position, the Council has decided to ascertain the legal position regarding the precise duties of the Council as Trustees of Alexandra Palace and Park. The time scale for the legal directions is uncertain.

ALEXANDRA PALACE AND PARK ACCOUNTING POLICIES

8. PERMANENT ENDOWMENT

Under the terms of the Alexandra Palace and Park 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, these are inalienable assets and may be considered a permanent endowment. These assets have been included in the accounts at a nil value.

9. 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 a Parliamentary Scheme is necessary before any redevelopment can take place. Because the asset cannot be disposed of, the value at which it is shown in the accounts is nil.

Tangible fixed assets consolidated from the subsidiary, 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:

Office equipment, furniture and fittings: -
on a reducing balance basis at rates at 25% per annum.

10. VALUATION OF STOCK

Stock is valued at the lower of cost and net realisable value.

11. BANK ACCOUNT

The Alexandra Palace and Park 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.

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Income in advance is made up of payments that have been received for events that will take place in future years.

13. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

These accounts reflect the decision of the Attorney General that Haringey Council is entitled to indemnification for the revenue deficits for 1991/92 to 1999/2000. 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, which in 1999/2000 was 9.766% (1998/99: 9.96%).

14. TRUSTEES' FUNDS

The unrestricted fund equity represents the accumulated surpluses and deficits of the Trust.

15. RELATED PARTY TRANSACTIONS

Because of the close and unique relationship between Haringey Council and Alexandra Palace and Park, there is a significant number of transactions between the two parties. The extent of this relationship is detailed in note 13 to the accounts.

16. LEASES

Parts of the Trust's assets are subject to leasing arrangements, some of which are currently being negotiated.

ALEXANDRA PALACE AND PARK ACCOUNTING POLICIES

17. PRIVATE DEVELOPER

In 1996/97, the Trust carried out a competition to find a private developer to take over the running of Alexandra Palace and Park. The resulting preferred developer offered a sum of £11.775 million plus a potential share of profits. Subsequent negotiations between the Trust and its preferred developers have, however, revealed that a capital receipt of not less than £5 million will be receivable in exchange for a 125 year lease, as a smaller scheme is being discussed.

The development proposals can only be progressed following parliamentary approval of amendments to the 1985 Alexandra Palace and Park Act. The amendments being sought will remove the current restrictions on leasing.

18. PENSION CONTRIBUTIONS

Pension contributions are charged to the statement of financial activities so as to spread the cost of pensions over the employees working lives with the Trust.

NOTES TO THE ALEXANDRA PALACE AND PARK ACCOUNTS

1. BREAKDOWN OF EXPENDITURE AND INCOME

The tables below clearly indicate the types of expenditure being incurred on activities: direct salaries, wages and casual staffing costs; direct costs fully attributable to the individual activities, such as the purchase of catering supplies, services purchased for the activities and allocated overheads. Allocated overheads represent costs relating to the use of the assets and the sections whose staff provide services to all the individual activities. The interest paid is that owed to Haringey Council for the indemnification and provision for previous years' revenue deficits (see note 9).

GROUP 1999/2000	Direct Staffing Costs £000's	Direct Costs £000's	Allocated Overheads £000's	Total Expenditure £000's	Total Income £000's	Net Expenditure £000's
Direct Charitable Expenditure/Income: Consolidated Activities						
Events	1,144	1,598	485	3,227	(4,126)	(899)
Ice Rink	191	328	138	657	(564)	
Phoenix Pub	285	317	96	698	(623)	75
Other	400	388	72	860	(164)	696
Interest receivable	-	-	-	-	(24)	(24)
Total Resources Used/(Arising) in Year	2,020	2,631	791	5,442	(5,501)	(59)
Other:						
Management and Administration	208	197	49	454	-	454
Interest	-	1,566	-	1,566	-	1,566
Total Expenditure and Income	2,228	4,394	840	7,462	(5,501)	1,961

TRUST 1999/2000	Direct Staffing Costs £000's	Direct Costs £000's	Allocated Overheads £000's	Total Expenditure £000's	Total Income £000's	Net Expenditure £000's
Direct Charitable Expenditure/Income:						
Trust Activities						
Events	444	731	338	1,513	(1,380)	133
Ice Rink	191	328	138	657	(564)	93
Phoenix Pub	146	191	80	417	(328)	89
Other	400	388	72	860	(291)	569
Deed of covenant from Alexandra Palace Trading Ltd	-	-	-	-	(836)	(836)
Total Resources Used/(Arising) in Year	1,181	1,638	628	3,447	(3,399)	48
Other:						
Management and Administration	140	162	47	349	-	349
Interest	-	1,566	-	1,566	-	1,566
Total Expenditure and Income	1,321	3,366	675	5,362	(3,399)	1,963

NOTES TO THE ALEXANDRA PALACE AND PARK ACCOUNTS

2. ANALYSIS OF RESOURCES USED

The table below shows a breakdown of the total expenditure in 1999/2000.

Total Expenditure	Group 1999/2000 £000's	Trust 1999/2000 £000's	Trust 1998/99 £000's
Staff Costs:			
Wages and Salaries	2,214	1,331	2,096
Social Security costs	141	56	89
Pension Costs	80	74	86
TOTAL STAFF COSTS	2,435	1,461	2,271
Other Expenditure:			
Catering Costs	1,052	283	659
Supplies and Services	897	853	1,138
Transport	17	9	28
Rates	95	95	92
Repairs, Maintenance and Equipment	320	313	412
Insurance	117	110	143
Utilities	283	205	289
Marketing	197	80	209
Park Contract	185	185	175
Office Expenses	294	198	319
Interest	1,566	1,566	1,353
Development costs	4	4	4
EXPENDITURE	5,027	3,901	4,821
TOTAL EXPENDITURE	7,462	5,362	7,092

NOTES TO THE ALEXANDRA PALACE AND PARK ACCOUNTS

3. ALEXANDRA PALACE TRADING LIMITED

Alexandra Palace & Park owns the entire share capital of a trading company, Alexandra Palace Trading Limited, which is registered in England. Alexandra Palace Trading Limited raises funds for Alexandra Palace & Park through the hiring of halls for exhibitions, banquets, conferences, weddings and other events and covenants 100% of its taxable profits to Alexandra Palace & Park. Alexandra Palace Trading Limited was incorporated on 5 August 1999 and commenced trading activities on 1 September 1999. The net income attributable to the group is consolidated on a line by line basis in the consolidated statement of financial activities. The subsidiary undertaking's audited financial statements, which will be filed with the Registrar of Companies, are summarised below:

	1999/2000 £000's
Turnover	3,041
Cost of sales	(2,025)
Gross profit	1,016
Operating expenses	(202)
Operating profit	814
Interest receivable	24
Net income to the Group	838
Deed of covenant to Alexandra Palace & Park	(836)
Retained profit carried forward	2

4. TANGIBLE FIXED ASSETS

Group: Fixed assets	Office equipment, fixtures and fittings £000's	Group 1998/99 £000's
Cost:		
Additions	10	10
At 31st March 2000	10	10
Depreciation:		
Charge for the year	1	1
At 31st March 2000	1	1
Net Book Value:		
At 31st March 2000	9	9

Trust:

The valuation of fixed assets reflects the inalienable nature of the assets of Alexandra Palace and Park. The value shown in the balance sheet is nil.

NOTES TO THE ALEXANDRA PALACE AND PARK ACCOUNTS

5. FIXED ASSET INVESTMENTS

Fixed Asset Investments	Group: 1999/2000 £	Trust: 1999/2000 £	Trust: 1998/99 £
Shares in trading subsidiary	-	2	-
TOTAL	-	2	-

The Trust owns the entire share capital of its trading subsidiary (see note 3).

6. DEBTORS

Debtors	Group: 1999/2000 £000's	Trust: 1999/2000 £000's	Trust: 1998/99 £000's
Trade debtors	244	-	-
Prepayments and accrued income	196	67	134
Amounts due from subsidiary undertaking	-	114	-
Deed of covenant due from subsidiary undertaking	-	836	-
Other debtors	108	108	172
TOTAL	548	1,125	306

7. STOCK

Group:

Stock valued at £188,000 as at the 31st March 2000 consists of beverages, food, marketing publications and other items valued at the lower of cost or net realisable value.

Trust:

Stock valued at £93,000 as at the 31st March 2000 (1998/99: £167,000) consists of beverages, food, marketing publications and other items valued at the lower of cost or net realisable value.

8. CREDITORS DUE IN LESS THAN ONE YEAR

Amounts Falling due Within One Year	Group: 1999/2000 £000's	Trust: 1999/2000 £000's	Trust: 1998/99 £000's
Trade creditors	198	-	-
Other taxes and social security costs	33	-	-
Other creditors	231	231	35
Accruals	310	226	189
Income in Advance	244	-	86
Haringey Council: Bank Account	1,655	1,655	1,608
Provisions	-	-	30
TOTAL	2,671	2,112	1,948

Income in Advance is payments received for events that will take place in future years.

The 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. The difference between the two sums of £10,000 relates to the Trust's cash float and is not part of that liability.

The provisions are in respect of legal cases.

NOTES TO THE ALEXANDRA PALACE AND PARK ACCOUNTS

9. LONG TERM LIABILITIES: HARINGEY COUNCIL

Haringey Council		Deficit £000's	Interest £000's	Total £000's
Indemnification:- 1991/92 to 1994/95	(1)	5,005	4,965	9,970
Indemnification:- 1995/96 to 1999/2000	(2)	4,592	1,279	5,871
Provision:- 1988/89 to 1990/91	(3)	755	1,519	2,274
TOTAL		10,352	7,763	18,115

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 1999/2000 which the Attorney General has agreed in principle that Haringey Council is entitled to. The final value has yet to be formally agreed.
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.

In view of the uncertainty created by the complex legislative position, the Council has resolved to seek the Directions of the Court regarding its precise duties as Trustees of Alexandra Palace and Park. The time scale for the legal directions is uncertain.

10. TRUSTEES' FUNDS

Unrestricted Funds	Group: 1999/2000 £000's	Trust: 1999/2000 £000's	Trust: 1998/99 £000's
Trust deficit funds:			
Balance brought forward	-	15,381	13,449
Deficit in year	1,961	1,963	1,932
Opening consolidated funds	15,381	-	-
Balance carried forward	17,342	17,344	15,381

The above amounts represent the deficit equity of the Trust. The Group figure includes £2,000 of the trading subsidiary retained profits carried forward.

11. TAXATION

No corporation tax has been provided in these accounts because the Trust is a registered charity and its activities meet the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988. No tax liability arises in the trading subsidiary as all of the profits are covenanted back to the Trust.

NOTES TO THE ALEXANDRA PALACE AND PARK ACCOUNTS

12. EMPLOYEES

12.1 EMPLOYEES EARNING £40,000 PER ANNUM OR MORE

Employees Earning £40,000 per annum or more	Group 1999/2000	Trust 1999/2000	Trust 1998/99
£60,000 - £69,000	1	1	1
£40,000 - £49,000	2	1	2

12.2 AVERAGE NUMBER OF EMPLOYEES

The average number of employees analysed by function, is shown in the table below

Employee Number	Group 1999/2000		Trust 1999/2000		Trust 1998/99	
Catering	6	(5)	3	(2)	7	(6)
Phoenix Pub	5	(1)	2	(1)	7	(1)
Ice Rink	17	(6)	17	(6)	17	(8)
Security	7	(7)	7	(7)	7	(7)
Operations	8	(8)	3	(3)	8	(8)
Administration	26	(23)	16	(14)	23	(21)
TOTAL	69	(50)	48	(33)	69	(51)

The table above includes both permanent employees and casual staff (full-time equivalents). The number of permanent employees only in 1999/2000 was 50 posts (51 in 1998/99), as illustrated by the figures shown in brackets.

12.3 EMPLOYEES' SALARIES

The salaries paid to full and part-time employees in 1999/2000 are illustrated in the table below.

Employees Salaries and Wages	Group 1999/2000 £000's	Trust 1999/2000 £000's	Trust 1998/99 £000's
Wages and salaries	1,194	810	1,199
Employers national insurance	141	56	89
Pension costs	80	74	86
Agency staff costs	1,020	521	897
TOTAL	2,435	1,461	2,271

NOTES TO THE ALEXANDRA PALACE AND PARK ACCOUNTS

13. RELATED PARTY TRANSACTIONS

Due to the nature of the relationship between Alexandra Palace and Park and Haringey Council there are a number of significant related party transactions. These amounts are consolidated into the Trust Accounts; however, due to the unique nature and structure of the relationship it is thought appropriate to disclose these items. They are illustrated in the following table.

The staffing costs reflect payments made to employees of Haringey Council as trustee. This table excludes items paid directly by the Trust, such as agency staff payments.

Related Party Transactions	1999/2000 £000's	1998/99 £000's
Staffing Costs	1,046	1,382
Rates	95	92
Central Administration	75	107
Insurance	110	143
Entertainment Licences	37	37
Other	2	-
Printing	4	2
Release provision	(30)	-
Services – Security	-	1
TOTAL	1,339	1,764

14. AUDIT FEES

The District Audit Service as part of the overall audit of the Council's accounts provides the external audit for Alexandra Palace. The Council meets the fee of the District Audit Service. The Charity Commission has required that the Board also commission an audit by a Registered Auditor. The audit fee for the year was £18,000 current year and £13,000 in relation to prior years (1998/99: £17,000).



**ALEXANDRA
PALACE**



Report to the Board of Trustees

**Following the audit for the
year ended 31 March 2000**

BINDER HAMLYN

Report to the Board of Trustees of Alexandra Palace and Park following the audit for the year ended 31 March 2000

Contents and Executive Summary	Page
1.1 Introduction	1
We set out certain matters relating to the audit of the financial statements of the Trust for the year ended 31 March 2000 which we consider should be brought to the attention of the Trustees. We also highlight specific matters on which we will be seeking written representations from the Trustees.	
1.2 Our audit approach	2
Our audit approach was described in our audit planning letter dated 3 November 1999. In essence, we have focussed on the organisation rather than just the financial statements although our statutory responsibilities remain that of ensuring that the financial statements are free from material misstatement.	
1.3 Outcome of the audit	2
We have completed our fieldwork satisfactorily. There were no restrictions placed on the scope of our work and we have received full co-operation from staff.	
1.4 Representations	2
We enclose a draft of the letter of representation as Appendix 1.	
1.5 Significant financial reporting issues	3
We draw attention to key financial reporting issues arising in the year and the impact on our audit report.	