

Alexandra Palace

Annual report

Alexandra Park and Palace Charitable Trust

2016/17

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Alexandra Park and Palace is a registered charity in England and Wales (no 281991) with its principal office at Alexandra Palace, Alexandra Palace Way, London N22 7AY. **Auditor:** Haysmacintyre, Chartered Accountants and Statutory Auditor, 26 Red Lion Square, London WC1R 4AG, **Bankers:** Barclays, 1 Churchill Place, London, E14 5HP **and** Nat West, 14 The Broadway, London, N22 6DS **Solicitors:** 2 Putney Hill London SW15 6A

Alexandra Park and Palace Charitable Trust 2017 Annual Review

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1. ABOUT US - Alexandra Park & Palace Charitable Trust

Alexandra Park was opened in 1863 as a leisure destination for Londoners. The original 220 acres of parkland were landscaped by Alexander McKenzie as a centre for education and entertainment and to provide a green oasis for Londoners.

Alexandra Palace was opened in 1873. Built as the 'People's Palace', this remarkable seven-acre Grade II listed building remains one of London and the UK's most iconic structures and enjoys global recognition as the birthplace of television.

Today Alexandra Palace is surrounded by 196 acres of Grade II listed parkland and offers unprecedented views of the city. The multi-award winning destination maintains its original enterprising spirit by hosting an eclectic mix of live music, sport, cultural and leisure events throughout the year.

The Alexandra Park and Palace Charitable Trust is responsible for the care and maintenance of the Park and the Palace. It is a challenging task, overcoming the dereliction of decades whilst repairing and maintaining both to keep them safely open for the public to enjoy.

We have a clear vision to regenerate the charitable assets that have been entrusted to us, in the pioneering spirit of our Victorian founders. We want to create a proud and iconic London destination with global appeal – as a successful, valuable and sustainable asset for all, including our local community and stakeholders.

Our organisation consists of two elements. Alexandra Park and Palace Charitable Trust, responsible for our charitable activities, including maintaining, restoring and repairing the Park and Palace and delivering learning and community programmes.

We also have a wholly owned trading subsidiary, Alexandra Palace Trading Ltd, (APTL), which donates its taxable profit to the Trust in the form of Gift Aid. APTL delivers and manages events, entertainment, leisure and hospitality activities assisting the charitable purposes by providing not just funding but enlivening the venue for the purposes of its creation and encouraging a broad cross section of the public to access and enjoy it.

2. Chair and CEO foreword

The 2016/17 financial year has been another year of huge progress at Alexandra Palace. Major changes both to the building and the organisation itself are underway, as we manage two major construction projects whilst also developing new ways of working and a long term vision for APPCT. The East Wing Restoration Project and The West Yard Project will bring profound improvements to the Palace. The Governance Review and Strategic Vision work will deliver real benefits for years to come.

Managing these additional projects at the same time as continuing our existing delivery and annual maintenance and repairs schedule is putting real strains on the staff team and our resources, yet their commitment to the cause is remarkable.

It has been a busy year for the Trustees too, with a heavy time commitment to carry out our duties. We were delighted that the Board made time for a strategy day in November. The day acted as a refresher session on our duties as trustees and a development day to focus on critical issues facing the Trust, which included honest discussion about how we as trustees can improve and the progress our executive team has made.

2016/17 was a year where we aimed to lay the foundations for the future and we made great progress not only on Governance and the Strategic Vision but also: appointing new external auditors and legal advisers to ensure we have fresh perspectives on our operations; taking a fresh look at our risk management resulting in a new Strategic Risk Register and more robust reporting; and developing a new performance framework to better monitor the performance of the organisation.

The East Wing was closed for construction but disruption has been kept to a minimum and it is a major achievement that we have been able to keep open our Ice Rink throughout the construction works thanks to a relocated entrance.

The project has faced major challenges this year, not least the huge increase in the costs of enabling works and fragility of the historic fabric of the building. Working closely with our key funders, we undertook a thorough review of the project and carefully assessed our options. The Trustees then made the difficult decision to reduce the scope of the East Wing Project in order to ensure that it stayed within the fixed budget. The decision to put on hold the restoration of the historic television studios was obviously disappointing for everyone, but it was the right decision, made at the right time. This is not the first restoration of a large scale historic building to face such budgetary pressures and it almost certainly will not be the last.

We remain committed to developing these spaces and are delighted to have signed a 10 year partnership with the BBC to tell the story of the birth and evolution of BBC Television at Alexandra Palace and the associated transformation and interpretation of the Alexandra Palace Building.

For an organisation with such a fascinating history we have often struggled to tell our story to the world. Alexandra Palace has not placed enough value on preserving its own heritage. The lack of access to archive materials has hampered our ability to interpret this history and engage our audiences. In 2016, however, we made a hugely significant discovery - in the process of clearing out old store rooms in preparation for the restoration project, we found a treasure trove of archive materials thought lost in the 1980 fire.

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We are grateful to London Museum Development for the Arts Council England-funded Collections Care grant which has helped us to get expert advice on the correct conservation and storage of our archive for the future.; With support from Google, our staff team and hard-working volunteers had access to high-spec equipment, professional photography and training, which enabled us to scan over 8,000 items, creating a vast digital archive. Many of the archive images are already available on the Google Arts and Culture website, allowing access to our newly discovered collection for people across the world.

This will provide an invaluable resource for generations to come and for our own Learning and Participation team, which is delivering an expanded activity plan as part of the HLF East Wing Restoration Project and is now engaging with more and more local groups across our community. .

The Park is one of the most treasured and heavily-used open spaces in north London. It continues to provide hours of enjoyment to the public as the team carefully balance the need for quiet recreation and nature conservation with entertainment activities for a broad range of tastes from foodies to fireworks to park runs and school group orienteering. We welcomed Go Ape as a new tenant in the Park, offering an exciting new activity for our visitors. The high standards set in previous years were not compromised and the team again achieved both the Green Flag Award, Green Heritage Award and was awarded gold and crowned category winner in the London in Bloom Large Park category.

Alexandra Palace Trading Limited delivered another successful year, with 2016/17 the second best year on record for both revenue and net profit. Key highlights included the completion of the sales strategy and also the growth plan for Alexandra Palace own brand events, key contracts for flagship events were successfully re-negotiated and business systems in business critical areas were modernised.

Teams across APTL have been strengthened with new roles introducing enhanced capacity and capability in 2016/17. This will assist in realising the targets for 2017/18, which are ambitious but realistic.

As always these achievements are due to a strong and experienced team, the continued support of the Corporate Trustee and the dedication of the Board of Trustees, voluntary groups and individual volunteers that donate their time and skills.



Cllr Joanna Christophides

Chair of the Trustee Board



Louise Stewart

Chief Executive

3 Governance, structure & management

3.1 Governing document

Our governing documents are collectively known as the Alexandra Park and Palace Acts and Orders 1900–2004. Alexandra Park and Palace was created as a trust by Act of Parliament in 1900, with further powers being conferred by subsequent acts in 1903, 1905 and 1913. In 1967 the organisation became a Charitable Trust, and it was registered with the Charity Commission in 1981. A further Act was passed in 1985 amending the previous legislation. Finally, the Charities (Alexandra Park and Palace) Order was passed in 2004.

3.2 The Corporate Trustee and delegation of Trustee responsibility

In 1980 the functions of the Trustees were transferred to the Mayor and Burgesses of Haringey, who act through Haringey Council. The Council delegates its responsibilities to a committee which acts as the Corporate Trustee Board. The Trust is subject to charity law and Charity Commission Regulation. The Charity's subsidiary company, Alexandra Palace Trading Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 29th July 1999.

3.3 Appointment of the Members of the Corporate Trustee Board

The Alexandra Park and Palace Board is appointed by the Council and meets quarterly. Voting members are Haringey councillors, elected annually to reflect the political composition of the Council; non-voting members are appointed by local stakeholder committees. Members of the Corporate Trustee Board who are also councillors step down for local government elections and those who are re-elected may be re-appointed at the annual general meeting of the Council held in May each year.

The Members of the Corporate Trustee Board must act exclusively in the best interests of the Trust when dealing with Trust matters. They have overall responsibility, representing the Corporate Trustee, for ensuring that the charitable objectives are met and adequate systems of control are maintained to safeguard the Trust's assets, to provide reasonable assurance that it is operating efficiently and effectively, that it complies with relevant laws and regulations and that it maintains proper records. To support the executive management team's operations, the Board reviews and approves the annual budget and appoints an auditor.

3.4 Induction and Training of the Members of the Corporate Trustee Board

At the beginning of each municipal year an induction meeting is arranged and Board members are provided with the governing documents together with key reports, minutes, budgets and audited accounts. Further training is considered on an individual basis. To ensure that the best possible governance arrangements are in place for the Trust the Board instigated a governance review in 2016/17 which will conclude in 2017/18, to ensure that robust and effective governance procedures are in place.

3.5 Statement of Trustee's responsibilities

The trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustee is required to: select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP (Statement of Recommended Practice); make judgments and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The members of the Trust Board serving during the year and since the year end were as follows:

Trustee Board Members

Cllr Joanna Christophides (Chair) from June 2014
Cllr Tim Gallagher from June 2014 to May 2017
Cllr Patrick Berryman from June 2014 to November 2016
Cllr Bob Hare from June 2014
Cllr Liz McShane from May 2015 to May 2017
Cllr Anne Stennett from May 2015
Cllr Jennifer Mann from January 2017
Cllr Ann Waters from May 2017
Cllr Charles Wright from May 2017

Non Voting Members

Gordon Hutchinson (Consultative Committee Chair) from June 2014 to May 2017
Colin Marr (Consultative Committee Representative) from June 2014 to May 2017
Nigel Willmott (Consultative Committee Representative) from June 2014
Robert Kidby (Non-Executive Member) from May 2014 to June 2016
Cllr Stephen Mann (SAC Representative (observer)) from October 2015 to December 2016
Cllr Jason Beazley (Three Avenues Residents Association (observer)) from May 2017
Cllr Val Paley (Palace View Residents Association) from May 2017

3.6 Committees

The Board has three committees that meet separately on a quarterly basis.

The Finance, Risk and Audit Committee (FRAC) has delegated responsibility on behalf of the Board for overseeing the organisation's financial policies, performance, plans and risk management.

The FRAC provides assurance to the Board on key issues around risks related to financial planning, capacity and reporting; internal control and compliance. The FRAC approves the appointment of the internal and external auditors, reviews the management accounts, provides oversight of the budget process, and scrutinises

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the annual accounts and internal audit programme.

Our principal risk is the long term financial sustainability of the Trust to deliver our charitable purposes.

In 2016/17 FRAC met 3 times (June 2016, November 2016 and January 2017) and Membership is detailed in table 1 below:

Table 1 - 2016/17 FRAC:

Members:	Position	Annual Attendance record
Cllr Joanna Christophides	Director (APPCT Board Member & FRAC & APTL Chair)	3/3
Cllr Patrick Berryman	Director (APPCT Board Member) (until November 2016)	
Cllr Bob Hare	Director (APPCT Board Member)	3/3
Cllr Jennifer Mann	Director (APPCT Board Member) (from January 2017)	1/1
Cllr Anne Stennett	Director (APPCT Board Member)	2/3
Louise Stewart	Director (APPCT CEO - Employee)	3/3

The Statutory Advisory Committee (SAC) was established by Act of Parliament to provide advice from a defined list of organisations. It advises the APP Board on the general policies for events permitted in the Park and Palace, and the effects of such activities upon local residents and environment. The SAC appoints an observer onto the APPCT Board.

The Consultative Committee (CC) provides an opportunity for discussion between the Alexandra Palace and Park Board and appropriate local/ national organisations on general matters affecting Alexandra Palace and Park. The Consultative Committee appoints three of its members on to the APPCT Board.

The wholly owned trading subsidiary, Alexandra Palace Trading Limited (APTL), is governed by a separate Board appointed by the Trust.

4. Organisation

4.1 Risk Management

The Board has identified the major risks to which the Trust is exposed. A formal process is in place to ensure that risks are managed and a strategic risk register is kept up to date and reported on at each Finance, Risk and Audit Committee meeting and Board Meetings.

The Board's risk statement is:

The Board members of the Alexandra Park and Palace Charitable Trust have set the Charity's risk tolerance which is articulated and communicated so that personnel understand that they need to pursue objectives within acceptable limits. The Risk Programme Management is governed by the Board with processes in place for the identification, evaluation and management of significant risks faced by the Alexandra Park and Palace Charitable Trust. This information is embodied in a strategic risk register which is reviewed at Executive Team and used as a key reporting mechanism to the Board.

The strategic risk register identified

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- *a need to develop a long term financial plan to overcome the over dependency on the Corporate Trustee for grant funding.* The key element in the management of financial risk is to develop the strategic direction and forward planning for the Charity. The work on a Strategic Vision for Alexandra Park and Palace commenced in 2016/17 and will complete in 2017/18. This work will allow the Trust to develop a 10 year strategy and long term financial plan for the organisation. It is expected that development of the strategy and plan will commence in 2017/18.
- *a need to ensure that the Corporate Trustee Board has the skills and experience suited to the needs of the charity.* The Governance Review included a skills gap analysis between existing skills and those required. Recommendations will be presented to the Board in 2017/18
- *a need to carefully monitor and manage the East Wing Restoration* to ensure that the costs do not increase beyond the funding available. The East Wing restoration project is overseen by the Board. The detail is overseen by the Programme Board and a Cost Control panel. Regular reporting is in place to ensure that the project is closely managed and issues are remedied quickly. In 2016/17 the Board took the timely and prudent decision to rescope the project in the best interests of the project and the charity. It was able to do this because of its close management of the project which will continue in 17/18.
- *the risk of failure to progress towards the fundraising targets for the East Wing.* The Trust has reinvigorated its fundraising programme with a revised approach and has employed an experienced Director of Fundraising. In 16/17 the Board took the decision to create a development board to assist in fundraising. This will be implemented in 17/18.

4.2 Our Commitment

The trust is committed to providing equal opportunities in employment and to avoiding unlawful discrimination in employment and against customers. The trust aims to treat all people with dignity and respect regardless of age, disability, sex, gender reassignment, pregnancy, maternity, race (which includes colour, nationality and ethnic or national origins), sexual orientation, religion or belief, or because someone is married or in a civil partnership.

4.3 Pay Policy for senior staff

The executive team, led by the Chief Executive with delegated authority from the Trust Board, comprise the key management personnel of the charity, which is in charge of directing and controlling, running and operating the Trust and trading subsidiary on a day to day basis. No member of the Trust Board has received remuneration from the Charitable Trust or trading subsidiary in the year. Details of the Trust Board members' expenses and related party transactions are disclosed in note 10 to the accounts. The pay of the senior staff is reviewed annually and, subject to available resources, normally increased in accordance with average earnings.

4.4 Executive Team

Louise Stewart (Chief Executive)
Emma Dagnes (Deputy Chief Executive)
Erica Wilkinson (Company Secretary)

Dorota Dominiczak (Director of Finance & Resources)
Lucy Fenner/ Paul Ellerby (Interim) (Commercial Director)
Simon Fell (Director of Event Operations)
James Atkinson (Director of Fundraising)

5. Public Benefit.

The 1985 Act defines our principal object - "To uphold, maintain and repair the Palace and to maintain the Park and Palace as a place of public resort and recreation and for other public purposes." In approving the Trust's plans and priorities the Board have given due regard to the Charity Commission's guidance on public benefit.

The beneficiaries of Alexandra Park and Palace Charitable activities are the public. This means the general public regardless of their place of residence.

The Trust makes the Park and Palace available to all members of the public. Whilst we lack detailed evidence on our individual beneficiaries, from sampling surveys and ticket sales, we estimate that the Park and Palace attract around 3.5m visitors per year.

In its current condition, approximately two-thirds of the Palace can safely be opened to the public, but a key focus of our restoration programme is to make historic and long-closed parts of the Palace accessible to the public once again.

The Park remains open 24 hours a day throughout the year. Our learning and participation programme also includes the opportunity for the public to access derelict areas at scheduled times throughout the year.

Our learning programme aims to provide richer opportunities for the public to derive deeper and more long lasting benefit. We continue to expand this programme, increasing our engagement with local community groups to reach a wider cross section of the public. In 2016/17 our learning and participation programme provided over 1,781 learning opportunities for Schools.

Our volunteering programme is increasingly vital to our effort providing not just time but skills and expertise. In 2016/17 our volunteers donated over 2000 hours of their time to support our cause.

The Trust does not have an endowment to call upon and has a considerable financial challenge to keep the building open, safe and in a good state of repair. The Trust therefore charges for specific activities to cover the costs of delivery including overheads and to generate income towards the charitable purposes.

On the occasions that charges are made it is for premium activities above the daily provision of the Park and Palace for general recreation, in accordance with our Acts and Orders.

The Trust takes into account the level of any fees charged to reflect the need to provide enjoyment and recreation to the public as a whole and not exclude those on lower incomes. Not all of our additional activities are charged for; we stage several events each year to attract the public to the Park and Palace that are free to attend.

6. Our Stakeholders

Haringey Council (HC) – The Mayor and Burgesses of Haringey are the acting Corporate Trustee through Haringey Council; it is therefore a major stakeholder in the work of the Trust. It is also an important source of funding for the Trust, providing an annual grant to meet a proportion of the Trust's operating costs and to tackle the backlog of repairs.

Charity Commission for England and Wales - is the non-ministerial government department that regulates registered charities in England and Wales. As a registered Charity the Trust must comply with charity law. The commission is a valuable source of advice on the Trust's charitable matters.

Our Special Interest Groups and Volunteers - The Trust and the Charitable Assets benefit from the expertise, passion and time of several voluntary interest groups and individual volunteers. The interest groups are; Friends of Alexandra Palace Theatre, Alexandra Palace Television Society, Friends of Alexandra Park, Alexandra Palace Television Group and Alexandra Palace Organ Society.

Local Community - Whilst the local community is an important audience for the activities and facilities provided within the Park and at the Palace, it is equally, if not more important to us, as our neighbour. We work hard to minimise the impact of our activities on the local community to ensure that the benefits we provide outweigh the impact that we have.

The Heritage Lottery Fund (HLF) uses money from the National Lottery to support a wide range of projects involving the local, regional and national heritage of the UK. As the main funder of the East Wing restoration programme HLF is a major stakeholder in Alexandra Palace. HLF have previously funded projects in the Park and the conditions of which are still being discharged.

Historic England is an executive non-departmental public body. It is tasked with protecting the historical environment of England by preserving and listing historic buildings, ancient monuments and advising central and local government. Alexandra Palace is one of the largest buildings on Historic England's buildings at risk register. As the Palace is a listed building it is important that we maintain a strong and collaborative relationship with Historic England in undertaking repair and restoration works to the Palace, including the East Wing restoration programme.

The Theatres Trust is the national advisory public body for theatres and promotes the quality and design of existing and new theatres, protecting important historic theatres and ensuring buildings meet the needs and demands of the theatre industry and audiences. We are pleased to receive endorsement from the Theatres Trust.

The British Broadcasting Corporation (BBC) and Alexandra Park and Palace have a shared history and entered into a ten-year partnership agreement to create wider national access to the BBC's programmes and collections through allowing the story to be told with objectivity and perspective, to deliver an engaging and sustainable learning programme in relation to broadcast history, and to add coherence, dynamism and longevity to the national broadcast story.

Our new funders – our donors

In addition to the core funding from our Corporate Trustee and the programme funding from HLF and also our Corporate Trustee the Trust is now an active fundraising Trust. Our stakeholders therefore now include: members of the public who have donated, trusts, foundations and large donors. We have a responsibility to communicate effectively so that we are open and transparent when both seeking funding and reporting on how that funding is invested.

We are increasingly working more in partnership to help deliver our strategic aims and add value, expertise and profile to the programmes of work we are undertaking (particularly in the fields of Learning & Participation and Interpretation). Our stakeholders therefore include local, national and international partners including other charities, global business and Higher Education Institutes. We will undertake a stakeholder analysis to better communicate with our stakeholders to improve our communications and to identify mutual benefits of great partnership working – to the delivery priorities for 2017/18.

7. Strategic Priorities

The strategic priorities of APPCT are:

- To maintain and develop the Park and Palace as a leisure, cultural, and entertainment destination
- To achieve long-term financial sustainability for the charitable assets whilst respecting the historic and natural environment
- To bring derelict parts of the Palace back into use and allow safe access to them in the meantime for engagement and educational purposes
- To improve awareness and understanding of the Trust, its assets and activities
- To deliver quality customer and visitor experiences across all areas

8. Report on 2016/17 activity

To deliver its charitable purposes and deliver against the strategic priorities the Trust delivers programmes of work to:

- restore the derelict areas of the Park and Palace to rejuvenate the assets for audiences now and in the future;
- repair the building fabric to ensure it remains safe and watertight and gradually overcomes the historic backlog of repairs;
- improve and upgrade the critical support infrastructure across the Park and Palace;
- conserve the Trust's historic records and make them accessible to the public;
- engage a broad audience in the history and heritage of the Park and Palace;
- raise and generate funds to support the restoration and development of the Park and Palace;
- deliver a calendar of events, quality leisure experiences and activities throughout the year that bring the charitable assets alive for the purposes of their creation - entertainment and recreation (through its trading subsidiary);
- manage the impact of the organisation and its activities on the environment and community.

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Table 1 – 2016/17 Achievements against Strategic Priorities

Strategic Priority	Achievement
To maintain and develop the Park and Palace as a leisure, cultural, and entertainment destination	<ul style="list-style-type: none"> • Energy efficiency assessment completed • 100% of grounds maintenance planned work achieved • Green Flag, Heritage, London in Bloom Awards achieved • Monitoring framework drafted to reduce impact of activities held in the Park • £626,550 invested to ensure building fabric remains safe and watertight • 14% of Fabric Maintenance Plan completed (cumulative over 3 years) • 3rd boiler replaced
To achieve long-term financial sustainability for the charitable assets whilst respecting the historic and natural environment	<ul style="list-style-type: none"> • Commenced Strategic Vision work • Governance review underway • 100% of income from Park tenants received
To bring derelict parts of the Palace back into use and allow safe access to them in the meantime for engagement and educational purposes	<ul style="list-style-type: none"> • Future of North Wall secured as part of West Yard Project • Stage 1 of East Wing Restoration Project completed • Learning & Participation Activity Plan revised and approved by HLF • £200k raised towards £1m target • 1,781 pupil visits, 336 people engaged from local community • Regular news letters to local schools and community organisations
To improve awareness and understanding of the Trust, its assets and activities	<ul style="list-style-type: none"> • Strategic Risk Register review process in place • External communications agency appointed • Headline external communications plan developed • Monthly internal communications and staff briefings • Media coverage of the BBC studios and AP history • Archive exhibition on Google Arts & Culture platform
To deliver quality customer and visitor experiences across all areas	<ul style="list-style-type: none"> • Staff performance framework in place, clear objectives agreed for 83% of staff • Improvement plan developed in association with Institute of Customer Service • Customer satisfaction monitoring in development

8.1 Governance and Strategic Direction

The Trust commenced a Governance Review to identify how the Governance of the Park and Palace could be improved and strengthened not only to comply with legislation and regulation but to ensure the assets have the most appropriate governance in place to achieve greater success in the future.

The Review made good progress during the year but the history, complexity and lack of record keeping in a single location hampered progress. There are lessons for the future that have been identified, and actions taken to ensure the robustness of processes in the future.

The Trust commissioned consultants to develop a long term Strategic Vision for the Park and Palace, to review previous studies and set out a clear vision and development framework. This work is well underway and will continue into 2017/18.

It was hoped that both of these pieces of work would be completed in the year but the Boards own work programme, the demands of the East Wing Restoration Project and regular business meant that both of these projects have continued into 17/18.

8.1.1 *Fundraising*

Fundraising is vital if we are to deliver our strategic priorities. We have a very real fundraising target to deliver the East Wing Restoration project and we need to put in place a longer term approach to increase donations to our cause.

Although we do not have a long track record of fundraising we are starting to establish the foundations for a strong future programme and have a major project already underway that both excites and engages a broad range of people and funders. The funding donated to date should give others confidence to invest their trust in the project and in the Trust as an organisation that we will spend these funds wisely on impacting and transformational projects.

APPCT has applied for registration with the Fundraising Regulator, the independent regulator of charitable fundraising, established in 2016 to strengthen the system of charity regulation and restore public trust in fundraising. By registering with the Fundraising Regulator, APPCT agrees to abide by standards set out in the Code of Fundraising Practice.

Our Fundraising Policy is based on the regulators Code. In summary in undertaking fundraising activities Alexandra Palace it is our policy that;

- All fundraising activities undertaken by APPCT (or those representing us) will be legal, open, honest and respectful.
- The trustees of APPCT (and their delegates) will act in the best interests of the charity when deciding to accept or refuse a particular donation.
- All funds raised for a particular cause will be used for that cause.
- We will never use coercive tactics or place undue pressure on any individual to make a donation to APPCT.
- We will never make an unreasonable intrusion on a person's privacy.
- Our approach to fundraising activities will be set out in our Annual Report, and we will declare any complaints or failure to comply with a scheme or standard cited.
- We will set out our complaints procedure on our website and will respond to any complaints in a timely, respectful, open and honest way.

- We will comply with duties of confidentiality and data protection law at all times.

Key highlights:

- Successful launch of the new public fundraising campaign for the Theatre. The campaign received a huge amount of media attention, reaching thousands of potential donors;
- Increased engagement with the community – from Friends groups making donations to choir concerts in support of the Restoration Project;
- Support and endorsement of the project from Heritage of London Trust; The Trustees agreed to establish a Development Board to further strengthen our ability to encourage philanthropic giving and funding for our charitable purposes.

However progress against our immediate fundraising target for the East Wing Project of £1m remains slow.

8.2 Restoration, maintenance and repair

With 40% of the Palace standing derelict before the start of the East Wing restoration, maintaining and repairing the fabric of the historic Palace is a continuing challenge. Total investment in restoration, maintenance and repair in 2016/17 was £12,761,023.

8.2.1 *Restoration*

The East Wing project presented many challenges this year and work was held up several times. Despite undertaking extensive surveys before commencing any works the complexity of the building and its previous adaptations and uses created difficulties that were not able to be predicted. As a result the project, which is funded by an £18.8m grant from the Heritage Lottery Fund and supported by £6.8m in match funding from Haringey Council has been reduced in scope.

The plan to restore the historic studios and turn them into an interactive visitor attraction was put on hold due to the increased costs that were forecasted if the Trust proceeded with the full scope of the project. The Trustees made a difficult but timely decision before entering the second stage of the construction works, in the best interests of the Park and Palace.

The East Wing Project remains the largest restoration of the Palace since the 1980s and is a significant undertaking despite the reduced scope. A project plan for the future development of the television studios is being completed. It is the wish of the Trustees to maintain as much momentum as possible to celebrate the unique heritage that this part of the building represents and to overcome the dereliction on such a public façade of the Palace.

8.2.2 *Maintenance Highlights*

Whilst the East Wing provides such a visible transformation of the building, behind the scenes we continue to address the inherited old services and poor condition of facilities areas to improve how the building functions to make it more resilient, energy efficient and to ensure it meets the changing needs of our customers and clients and our own operational needs. Key highlights were:

- The 3rd of 4 boilers was installed, improving our energy efficiency and resilience of our supply;
- Successfully traced installed services in the East Court area;
- The ice rink entrance was relocated to the South Terrace, creating a new bright and dedicated entrance for ice rink users;
- New washroom facilities were installed between the Palm Court and Panorama room;
- Areas in the BBC tower had maintenance and decoration work undertaken to meet the needs of the Trust;
- The old BBC reception was refurbished and repurposed as office space to accommodate the Learning and Participation Team and provide better working conditions for our volunteers;
- The installation of fire alarm head ends to improve the reliability and connectivity of fire alarm system for the building;
- The Park team has continued the proactive approach to tree safety management surveying, felling and pruning trees. The strategy has been a great success as no trees were lost during the year's significant weather events.

8.2.3 Progress on repairs

The Trust has a detailed 10 year Fabric Maintenance Plan (FMP) which it works towards in prioritising and scheduling repairs. 2016/17 was year 3 of the 10 year plan. We should have completed 38% of the plan by the close of the year, but have achieved only 14%. This is disappointing but we are constrained by funding. An additional factor is that additional emergency repairs have had to be carried out following the implementation this year of new regular building surveys.

The much needed storage unit in the West Yard received planning permission and as a result we commenced works to stabilise the historic North Wall of the Palace as we create new storage and office space.

Key highlights were:

- Bi-monthly periodic inspections of external elevations were instigated to check the condition and safety of the fabric, pending future restoration;
- The Victorian basements under the Great Hall were partially cleared and made safe to allow access to historic areas for 'Open House' and history tours, and for potential use as filming location. The bunk bed to the former prison cell being reassembled to help conserve it and for display to the public, together with propping and clearance around the equipment to the wartime workshop to the former laud;
- The South East Building has been brought back into use through partial refurbishment internally as site accommodation by Willmott Dixon (Restoration Project Contractors), and provides a saving against the allowances in the Fabric Maintenance Plan;
- The enabling works to the East Wing Restoration Project have removed and/or safely encapsulated asbestos, to allow access to all areas and facilitate the main works;
- The Angel of Plenty statue on the Great Hall roof was successfully reached to assess its condition and inform the conservation required. Abseil access has also been achieved to the Palm Court, East Court, and Great Hall glazing to better understand the condition, reason for leaks, and to target the repairs and

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- comprehensive overhauls required;
- The renewal of degraded insulation cladding to the Ice Rink main ventilation ductwork and renewal of rusted ducts to reduce water ingress and reinstate the thermal efficiency of this plant;
- The Lower Road in the Park has been resurfaced following an £85,000 investment of Capital funds which has made a huge improvement to the surface.

8.3 Providing leisure and recreation opportunities for the public to enjoy

8.3.1 *Improving leisure and recreation opportunities*

Alexandra Park welcomed Go Ape as a new tenant. This new facility provides another opportunity for the public to enjoy the park in a different way across a wide age range. Go Ape donates 600 tickets a year to the charity to support our learning and participation activity.

8.3.2 *Ice Rink*

Despite the ongoing construction works the Trust has been able to keep the Ice Rink open for public use by investing in a new entrance off the south terrace. This is a dedicated entrance for ice rink users, without which the Ice Rink would have been closed for at least 2 years. The new entrance has been well received by our customers.

The Ice Rink remains a popular and thriving leisure facility for general skating, private hire, lessons, school groups, ice hockey and ice skating training for emerging talent.

8.3.3 *Alexandra Palace own brand events*

This year the Trust delivered 13 in-house events including; the Fireworks Festival, Street Food & Craft Beer Festivals, Summer Festival, German Bier Festival, Springfest and the 80th Anniversary of Television celebration. Key highlights were;

- Our flagship event, the Fireworks Festival, moved across two days for the first time ever, doubling ticket capacity from 50,000 to 100,000 and comfortably selling out in advance.
- Street Food Craft Beer Festival became a two day event across the summer dates. The festival also underwent a successful rebrand and achieved daily crowds of up to 30,000 people at its peak.
- The Summer Festival was bigger and better; activities included a Giant Waterslide, three programmed live music stages headlined by DJ Yoda, silent disco, adventure zone and outdoor cinema.
- Over 170,000 members of the public attended these events

8.3.4 Music

This year, more than ever, the variety of ground breaking live music shows hosted at the Palace was evident. With a line-up that included a mix of renowned international artists and fan favourites including Twenty One Pilots, The Last Shadow Puppets, Chase N Status, Skepta, Flume, Underworld and more. 2016 was a year of exciting shows many of which moved beyond typical gig format to create a unique experience for fans. Key highlights were:

- Skepta sold out his biggest show to date, lauded as a 'giant leap for grime music' by The Guardian, it was also broadcast live worldwide to millions on Apple Music;
- Originating in Brooklyn, Afropunk brought their innovative festival to London for the first time and chose Alexandra Palace as their venue. With multiple stages it was headlined by the mighty Grace Jones;
- Underworld performed in March of this year. More than a live show, the venue transformed into a Surreal Carnival Experiment featuring interactive screens, light installations and performers;
- A major highlight of the year for the Palace was the hosting of the televised X-Factor Boot Camp. The Palace came alive with music talent from all over the country, rehearsing in every available corner and the Palace was showcased to an audience of over 5 million people.
- Over 200,000 members of the public attended concerts at the Palace in 2016/17.

8.3.5 Sports

The World Championship Darts, Masters Snooker and Ping Pong Championships returned, along with a new event for us The Mosconi Cup. These events were attended by more than 100,000 members of the public.

8.3.6 Exhibitions

We increased the number of exhibition event open days. Looking forward we are growing our exhibition roster, securing the following new shows: The Vegan Show, Country Living Spring Fair, The Building Trades Show, The WI Fair. More than 130,000 members of the public attended these events

8.4 Engagement

8.4.1 Collections and Interpretation

Our collections are broad and include memorabilia relating to the Palace, our BBC heritage, theatre, park and recreation heritage. They contain photographic archive, the Nancy McMillan 1920s theatre collection, Shoenberg family archive, music heritage collection and finds from the works on site.

Some of our collections are digital surrogates thanks to kind permissions by our partners and donors. It is hoped that in time we would be able to house and display the physical objects and artifacts at the Palace.

The discovery of our 'lost' archive on 7 June 2016 was a major boost for the team but one which required us to take action to ensure it was conserved properly in the future. We are immensely grateful for the Collection Care grant of £500 from the London Museum Development, funded by Arts Council England to assist us in this task. We were tremendously lucky that Google supported us to scan our collection, taking us

from an organisation with a very limited collection to an organisation with a treasure trove of new items and a digitised collection in the space of just a few months.

Key highlights:

- The digitisation project with Google – output of 8,000 scanned archive items in a 3 month period
- Launch of the Alexandra Palace site on Google Arts and Culture platform with 3 online exhibitions
- 10 year BBC partnership agreement signed
- 80 years of BBC television celebrations bringing together BAFTA, Google, British Vintage and Wireless Society and BBC R&D to mark AP's place in history on 2 November
- Two virtual reality tours launched on the educational resource APP 'Google Expeditions' - with questions at three different education age levels

8.4.2 Learning and Participation

The Learning and Participation team, thanks to the HLF funding, is now up to full strength to deliver new activities and develop new partnerships to improve our reach and deliver greater impact.

Key highlights:

- 1,781 pupils visited the Palace
- More than 210 local primary schools pupils took part in the 80th anniversary celebration of the first high definition public broadcast by the BBC, experiencing a day of television inspired activities provided by new partner Bafta Kids
- A group of local adults who are part of a regular Gardening Group organised by charity Mind, visited the Palace to learn more about how to grow cut flowers, led by staff from Capital Gardens. This session is part of a new strand of our work focused on engaging communities in Haringey who do not normally come to the Palace
- Day of the Dead Parade: successful creative collaboration between a local school (Haringey Sixth Form) and a carnival artist to produce high quality props and costumes as part of the professional Day of the Day Parade presented within the annual Fireworks event, watched by over 80,000 people
- We encourage our contractors to engage with our programmes where possible and deliver added value. Our Park maintenance contractor, John O'Connor have increased their work with volunteer groups and other third parties, which has included a partnership with Capel Manor College.

8.4.3 Volunteering

Volunteering remains vitally important to Alexandra Park and Palace: since September 2013, volunteers have given the organisation more than 8579 hours of their time.

We have 53 active volunteers, working with us in a wide variety of roles including; education design and delivery, community engagement and development, Park maintenance, archiving, fundraising, volunteer administration, fundraising, history tours delivery and exhibition manning.

8.5 Shared business services

Working hard behind the scenes to support and manage the organisation's delivery, our shared business service functions were strengthened to provide a more solid foundation for future growth and help us to achieve greater efficiency and effectiveness.

Key highlights:

- New finance team fully established and making improvements to financial reporting and processes
- New Human resources team in place
 - providing support and guidance to managers and employees
 - to implement the action plan developed following the independent HR Audit report conducted in 2016
- Head of Health and Safety in post and a review of policy and procedure commenced

9. Performance and impact reporting

Improved performance reporting was implemented in 2016/17 with quarterly reports produced for internal use and presented to the Board of Trustees.

In delivering its work the Trust has recognised that it delivers wider economic, community and environmental benefits, beyond its primary charitable purposes, that need to be better captured to demonstrate how we contribute to society and to provide a strengthened case for funding in the future.

10. Delivery priorities 2017/18

The organisations delivery priorities in 2017/18 will be to:

- Finalise the long term strategic vision for the charitable assets
- Finalise the development of a 10 year strategy for the Trust, including the long term financial plan
- Agree and implement the recommendations of the 16/17 Governance Review
- Improve performance and impact reporting
- Make progress against the Fabric Maintenance Plan
- Improve consumption, efficiency and resilience of our energy supply
- Develop and implement a Monitoring Framework for Parkland events
- Prepare for the opening of the East Wing in 2018
- Complete the West Yard Storage Project
- Start to establish the Alexandra Palace archive as a credible, authoritative, and accessible resource
- Develop the project plan for the future development of the Television Studios
- Increase the visibility of the L&P (Learning & Participation) programme locally through effective communications, profile raising and partnership work
- Increase the momentum of our fundraising activities
- Recruit and manage a diverse team of volunteers to enrich the delivery of learning opportunities and to act as ambassadors for the Trust
- Review the Licence of the Trading Subsidiary to take into account its future expanded operation in the Palace and the Park.

11. Alexandra Palace Trading Limited - Focus in 2017/18

The focus for the trading subsidiary, on top of its normal business, in 2017/18 is to:

- successfully plan for and manage the new East Wing facilities to ensure it is creatively programmed, operates effectively and generates sufficient income to contribute positively to the finances of APPCT and therefore the Gift Aid total.
- develop new events for the Parkland in accordance with the Park premises licence granted in 2017 and manage them effectively.

There is also a clear need for the trading subsidiary to develop its strategic plan beyond its 18 month planning horizon. This will be necessary to support the Trust to develop its own long term financial plan for its 10 year strategy.

There is a need to strengthen the company after several years of a growth in trading activity and scope and personnel to ensure that there is a drive for efficient delivery.

12. Financial Overview

2016-17 was a successful and operationally busy year for the Trust and the Group as we continue to work toward our long-term goal of financial sustainability and a delivery of a major capital project.

12.1 Unrestricted funds

As in previous years our main sources of funding were:

- our corporate trustee - Haringey Council. The grant from the Council accounts for at least half of the funding available to the Trust to carry out its charitable activities.
- Alexandra Palace Trading Limited, a wholly owned subsidiary of the Trust, which donates all its profits to the trust in a form of Gift Aid. The Trust and the Trading are together known as “the Group”.

We are pleased to report that the Group’s accumulated unrestricted funds reached a total of £7.3m (2016 -: £3.7m) as at 31 March 2017. This demonstrates a good financial position for the Group and reflects a sound management of financial resources.

The Trading Company contributed significantly to this result as its success in the Entertainment, Event and Leisure industry continued, measured by the financial results as well as the number of customers attending the events including music nights, conferences, trade shows and exhibitions and events in the Park.

It achieved a turnover of £11.5m (2016: £12.7m) and Gift Aided of £920,000 (2016: £1,300,000). This financial performance has been achieved despite macro-economic conditions showing decreasing consumer confidence in economic stability and financial market uncertainty following the Brexit vote in June 2016.

Throughout the year both the Trust and the Trading Company continued to monitor the Group’s cash flow and its trading forecasts and felt that it was prudent to respond to the market uncertainty through delaying or cutting some overhead costs including delaying of some recruitment and delaying non-urgent maintenance and repairs projects.

A monitoring of budgeted costs and prioritising of revenue projects will remain in place for the foreseeable future to ensure that the Group meets its financial obligation with regard to a repayment of various loans including the £2.5m loan taken during the year to finance the storage unit in the West Yard of the Palace.

12.2 Reserves Policy

The Funds generated by the organisation are available, at the discretion of the Trustee Board, to further the charitable objectives of the Trust.

Furthermore, the Trustee Board have the objective of establishing unrestricted reserves sufficient to cover the Park and Palaces running costs and staff costs for a period of 6 months in case of a significant decrease in funding or a downturn of the Charity’s own fund-generating activities, whether undertaken by the Trust or by its Trading Company.

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The funds necessary to cover a 6 month period of running and maintaining the Park and Palace are estimated to be £2 million. These include non-cancellable commitments including servicing of the loan commitments.

The consolidated unrestricted reserves at the 2017 year end amounted to £7.3m (2016: £3.7m). This included designated capital funds of £6.6m (2016: £2.7m) representing, to the fullest extent possible, the net book value of the charity's capital assets.

At 31 March 2017 the Trust's consolidated free reserves, being unrestricted, undesignated funds not held in fixed assets, were negative £(2.7)m, as the charity currently reinvests all funds into maintaining and improving the palace and park.

A key task for the Trust in 17/18 is the development of a Long Term Financial Plan to move towards financial sustainability. It will need to identify measures to increase free reserves and unrestricted funds.

12.3 Restricted Funds

In June 2015 the Heritage Lottery Board gave its approval to progress with the restoration of the East Wing of the Palace. During 2016-17 the appointed contractor progressed with pre-construction and preliminary works completed in April 2017 at a cost of £4.3m accounted for as the addition to the Palace (Heritage asset). This stage precedes a full construction phase which is due to be completed in Autumn 2018 with a total Project cost of £26.7m funded by:

- * A Heritage Lottery Fund grant (£18.85m)
- * A grant from our corporate trustee, Haringey Council (£6.8m)
- * Our own fundraising campaign (£1m)

The Project's expenditure to date and the progress spending forecast have been kept strictly within its tightly controlled Budget. Our own fundraising campaign is critical for the funding of the Project. So far it has generated close to £200,000.

Funding and expenditure of the Project is reflected as 'Restricted Funds' in the Consolidated Statement of Financial Activities prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015). The Statement requires charitable organisations to recognise income when the organisation has a legal right to receive it, its receipt is probable and the amount is measurable. We have therefore already accounted for the Project's income of £26m in 2015-16 and in the 2016-17 accounts this income forms part of the Restricted Reserve brought forward.

Approved and authorised for issue by the Trust on 1 September 2017 and signed on its behalf by:



Cllr Joanna Christophides
Chair of the Trustee Board

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF ALEXANDRA PARK AND PALACE CHARITABLE TRUST

We have audited the financial statements of Alexandra Park and Palace Charitable Trust for the year ended 31 March 2017 which comprise the Group and Trust Statement of Financial Activities, the Group and Trust Balance Sheets, the consolidated Statement of Cash Flows and the related notes. 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 Trustee, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustee those matters we are required to state to them in an Auditors' 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's Trustee 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 Trustee's Responsibilities Statement, the Trustee is responsible for the preparation of 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. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 31 March 2017, and of its 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.

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 Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the 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.



Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

Date:

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Alexandra Park and Palace Charitable Trust – Consolidated statement of financial activities
For the year ended 31 March 2017

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
Income from:							
Donations and Grants	3	1,901	677	2,578	1,889	26,086	27,975
Charitable activities	5	281	-	281	247	-	247
Other trading activities	4	11,524	-	11,524	12,708	-	12,708
Investments	6	6	-	6	5	-	5
Total income		13,712	677	14,389	14,849	26,086	40,935
Total expenditure							
Raising funds		10,504	-	10,504	11,048	-	11,048
Charitable activities		3,743	585	4,328	3,362	1,069	3,362
Total expenditure	7,8	14,247	585	14,832	14,410	1,069	15,479
Net income/ (expenditure) for the year		(535)	92	(443)	439	25,017	25,456
Transfers between funds	20, 21	4,048	(4,048)	-	739	(739)	-
Other recognised gains							
Actuarial gain on Pension Scheme	24	81	-	81	157	-	157
Net movement in funds		3,594	(3,956)	(362)	1,335	24,278	25,613
Reconciliation of funds							
Total funds brought forward		3,664	24,361	28,025	2,329	83	2,412
Net movement of funds for the year		3,594	(3,956)	(362)	1,335	24,278	25,613
Closing fund balance as at 31 March	22	7,258	20,405	27,663	3,664	24,361	28,025

All activities relate to continuing operations.

The notes on pages 28 to 46 form an integral part of these financial statements

**Alexandra Park and Palace Charitable Trust – Trust Statement of Financial Activities
For the year ended 31 March 2017**

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000
Income from:							
Donations and Grants	3	1,901	677	2,578	1,889	26,086	27,975
Charitable activities	5	281	-	281	247	-	247
Investments	5	1,220	-	1,220	622	-	622
Total income		3,402	677	4,079	2,758	26,086	28,844
Total expenditure							
Raising funds		154	-	154	80	-	80
Charitable activities		3,743	585	4,328	3,362	1,069	4,431
Total expenditure	7, 8	3,897	585	4,482	3,442	1,069	4,511
Net (expenditure)/ income for the year		(495)	92	(403)	(684)	25,017	24,333
Transfers	20, 21	4,048	(4,048)	-	739	(739)	-
Net movement in funds		3,553	(3,956)	(403)	55	24,278	24,333
Reconciliation of funds							
Total funds brought Forward		3,093	24,361	27,454	3,038	83	3,121
Net movement in funds for the year		3,553	(3,956)	(403)	55	24,278	24,333
Net movement in funds for the year	22	6,646	20,405	27,051	3,093	24,361	27,454

The notes on pages 28 to 46 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 2017

	Notes	Group 2017 £'000	Group 2016 £'000	Trust 2017 £'000	Trust 2016 £'000
Fixed assets					
Tangible fixed assets	12	627	680	44	65
Heritage assets	13	9,293	4,689	9,293	4,689
Investments	14	-	-	-	-
		<u>9,920</u>	<u>5,369</u>	<u>9,337</u>	<u>4,754</u>
Current assets					
Stocks	15	131	100	-	-
Debtors: due within one year	16	19,703	26,104	19,788	26,051
Cash at bank and in hand		7,857	2,548	4,913	326
		<u>27,691</u>	<u>28,752</u>	<u>24,701</u>	<u>26,377</u>
Creditors: amounts falling due within one year	17	<u>(5,703)</u>	<u>(4,121)</u>	<u>(2,934)</u>	<u>(2,023)</u>
Net current assets		<u>21,988</u>	<u>24,631</u>	<u>21,767</u>	<u>24,354</u>
Total assets less current liabilities		<u>31,908</u>	<u>30,000</u>	<u>31,106</u>	<u>29,108</u>
Creditors: amounts falling due after more than one year	18	<u>(4,053)</u>	<u>(1,654)</u>	<u>(4,053)</u>	<u>(1,654)</u>
Net assets excluding pension scheme liability		<u>27,855</u>	<u>28,346</u>	<u>27,051</u>	<u>27,454</u>
Defined benefit pension scheme liability	24	<u>(192)</u>	<u>(321)</u>	<u>-</u>	<u>-</u>
Net assets including pension scheme liability		<u>27,663</u>	<u>28,025</u>	<u>27,051</u>	<u>27,454</u>
Accumulated funds					
Unrestricted funds		804	1,228	-	336
Designated capital funds		6,646	2,757	6,646	2,757
Pension deficit funds		(192)	(321)	-	-
Unrestricted funds	20	<u>7,258</u>	<u>3,664</u>	<u>6,646</u>	<u>3,093</u>
Restricted funds	21	<u>20,405</u>	<u>24,361</u>	<u>20,405</u>	<u>24,361</u>
Total funds	22	<u>27,663</u>	<u>28,025</u>	<u>27,051</u>	<u>27,454</u>

Approved by the Board of Trustees on 1 September 2017 and signed on its behalf by:



Councillor Joanna Christophides

The notes on pages 28 to 46 form an integral part of these financial statements.

Alexandra Park and Palace Charitable Trust – Consolidated Statement of Cash Flows for the year ended 31 March 2017

	Group 2017 £'000	Group 2016 £'000
Net cash provided by operating activities – See note below	8,009	1,686
Cash flows from investing activities		
Interest received	6	5
Purchase of property, plant and equipment	(5,081)	(1,122)
Net cash used in investing activities	(5,075)	(1,117)
Cash flows from financing activities		
Loan repayments	(125)	-
Cash inflows from new loans	2,500	-
	2,375	
Net increase in cash and cash equivalents	5,309	569
Cash and cash equivalents at beginning of year	2,548	1,979
Cash and cash equivalents at end of year	7,857	2,548
Reconciliation of cash and cash equivalents:		
Cash at bank and in hand	7,857	2,548
Overdraft	-	-
Cash and cash equivalents	7,857	2,548
Note to the consolidated cash flow statement		
	Group 2017 £'000	Group 2016 £'000
Reconciliation of net income to net cash flows from operating activities		
Net income	(443)	25,456
Depreciation	530	464
Actuarial movement on pension scheme	81	-
Charges less than pension contributions		35
Interest receivable	(6)	(5)
(Increase)/decrease in stocks	(31)	6
Decrease/(increase) in debtors	6,401	(24,556)
Increase in creditors	1,606	286
Decrease in provisions	(129)	-
Net cash provided by operating activities	8,009	1,686

Alexandra Park and Palace Charitable Trust – Notes for the Financial Statement For the year ended 31 March 2017

1. Basis of accounting

Alexandra Park and Palace, a public benefit entity, is a charity registered with the Charity Commission in 1981. The Charities Order 2004 gave the Trustees power to lease the whole or part of the Palace, subject to the consent of the Charity Commission, without changing the purposes for which the Park and Palace are held. The charity's wholly-owned subsidiary, Alexandra Palace Trading Limited, operates under licence on the Charity's premises. Profits generated from its commercial activities are gift-aided to the Trust to aid the delivery of its charitable objectives. There are currently four Trustees who are also directors of the Trading Company.

Basis of accounting

The financial statements have been prepared under the historical cost convention (with the exception of pension assets which are held at fair value) and have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2016, UK Generally Accepted Accounting Practice and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption in relation to presentation of a cash flow statement in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

The Trust is a Public Benefit Entity under FRS 102.

Preparation of financial statements – going concern basis

Alexandra Park and Palace Charitable Trust is a going concern due to the ongoing financial support of the corporate trustee, the Mayor and Burgesses of Haringey acting through Haringey Council. 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 grants, for the Trust for a period of not less than twelve months from the date of signing the accounts.

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 and the results of the subsidiary undertaking are disclosed in note 14.

Income

All income is included in the Statement of Financial Activities when the trust is legally entitled to the income, it is probable that the income will be received and the amount can be measured reliably. The financial statements therefore reflect income due to the Group but not received by the end of the year.

Grants receivable are recognised and accounted for when conditions are met. No grants are considered to be performance related. Restricted grants are expensed for a restricted purpose only.

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.

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 headcount basis.

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 and the cost of raising funds.

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 at 31 March 2015 and 2016 represents the net book value of assets purchased with capital grant funding from the Council since 2009/10. A transfer has been made to the designated capital fund at 31 March 2017 so that the fund value matches, to the fullest extent possible, the net book value of all fixed assets owned by the Trust.

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.

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.

2. Accounting policies (continued)

Investments

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

Heritage assets

The assets of the Trust include the Grade II listed Victorian Palace building and its contents, including the Willis organ, the recently found archives and the 196 acres of parkland.

The asset is upheld and maintained as a place of public resort and recreation and for other public purposes. The Park is accessible to public without restrictions. The Palace is opened for recreation and enjoyment where the space is safe to be used but 40% of the Palace remains derelict. The derelict spaces are being brought back into public use through an extensive capital improvements and maintenance programme (Fabric Maintenance Plan) as well as the East Wing restoration programme due to be completed in 2018.

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, conventional valuation approaches lack sufficient reliability and significant costs would be involved in obtaining a valuation which would be onerous compared with the additional benefit derived by users of the accounts.

In terms of the archive we have a Collections Development Policy which covers acquisitions and disposal.

Capital improvements to the Palace and Park which are integral to the heritage asset are capitalised at cost, and depreciated on a straight-line basis over 10 to 25 years.

Tangible fixed assets

All 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 25 years
Plant and machinery:	-	on a straight-line basis over 10 to 25 years
Motor vehicles:	-	on a straight-line basis over 5 years
Office equipment, furniture and fittings:	-	on a straight-line basis over 5 years

The minimum capitalisation threshold is £500.

Valuation of stocks

Stocks consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value on a first in first out basis.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity.

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 27 to the financial statements.

The Trust has taken advantage of the exemption contained within FRS 102 from disclosing transactions with its wholly- owned subsidiary.

Operating leases

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.

2. Accounting policies (continued)

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 2017.

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 FRS 102: Section 28 "Employee Benefits".

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 102: Section 28 "Employee Benefits" valuation for the Trust staff to be disaggregated from the Haringey Council pension fund. For this reason, the scheme has been treated as a defined contribution scheme for the purpose of the financial statements.

A liability for deficit contributions in line with FRS 102 has been recognised within accruals.

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.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of concessionary loans, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Concessionary loans are accounted for as social investments. The loan is initially recognised and measured at the amount received, with the carrying amount adjusted in subsequent years to reflect payments, interest and impairment.

Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

During the year there were no occasions arising where accounting judgements or estimates have been applied except for the actuarial assumptions used in valuing the Pension Fund Deficit and recognition of restricted grants as non-performance related grants and therefore accounted for as income in full in 2016-17.

3. Analysis of income from Donations and Grants

Group	2017 £'000	2016 £'000
Grants	2,495	27,930
Donations	83	45
	<u>2,578</u>	<u>27,975</u>

4. Analysis of income from other trading activities

	2017 £'000	2016 £'000
Income from trading activities	<u>11,524</u>	<u>12,708</u>

5. Analysis of income from charitable activities

Group and Trust	2017 £'000	2016 £'000
Income from the Park	183	126
Income from the Palace	92	98
Income from Learning and Community	6	23
	<u>281</u>	<u>247</u>

6. Analysis of income from investments

Group	2017 £'000	2016 £'000
Bank interest	<u>6</u>	<u>5</u>
Trust only		
Gift aid from subsidiary	920	1,300
Licence fee from subsidiary	300	190
Repayment of Gift Aid	-	(868)
	<u>1,220</u>	<u>622</u>

In the past in accordance with historic industry practice and Charity Commission guidance, the profits paid by the Alexandra Palace Trading Limited to the Trust were treated as a donation and paid over despite the trading subsidiary having had net liabilities, primarily due to the pension scheme liability. This Charity Commission guidance has been withdrawn in 2014 and new guidance by ICAEW clarifies that gift aid payments from subsidiaries to charities are considered to be distributions under company law. This means that some gift aid payments in the past years have been made from non-distributable reserves.

The Trust and its subsidiary considered various options to rectify the situation and in 2016 took a decision to recognise the liability from the Trust to its subsidiary to repay historic overpayments which are estimated at £868,000.

7. Analysis of expenditure

Group	Direct costs £'000	Support costs £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds				
Expenditure of trading subsidiary	10,350	-	10,350	10,968
Raising donations and grants	154	-	154	80
	<u>10,504</u>	<u>-</u>	<u>10,504</u>	<u>11,048</u>
Expenditure on charitable expenditure				
Running and maintaining the Park	524	129	653	575
Running and maintaining the Palace	2,178	511	2,689	2,216
Learning and Community	62	14	76	91
Regeneration	846	64	910	1,549
	<u>3,610</u>	<u>718</u>	<u>4,328</u>	<u>4,431</u>
Trust only				
Expenditure on raising funds:				
Raising donations and grants	154	-	154	80
	<u>154</u>	<u>-</u>	<u>154</u>	<u>80</u>
Expenditure on charitable expenditure				
Running and maintaining the Park	524	129	653	575
Running and maintaining the Palace	2,178	511	2,689	2,216
Learning and Community	62	14	76	91
Regeneration	846	64	910	1,549
	<u>3,610</u>	<u>718</u>	<u>4,328</u>	<u>4,431</u>

8. Analysis of support costs

Group and Trust	Total 2017 £'000	Total 2016 £'000
Wages and salaries	352	252
Overheads	366	255
	<u>718</u>	<u>507</u>

8. Analysis of support costs (continued)

Group and Trust	Basis of allocation	Running & maintaining the Park	Running & maintaining the Palace	Learning & community	Regeneration	Total 2017
Support costs allocated to activities		£'000	£'000	£'000	£'000	
Governance	Pro rata to charitable expenditure	27	108	3	13	151
General Office overheads	Pro rata to charitable expenditure	66	260	7	33	366
Office Management incl. Finance and HR	Pro rata to charitable expenditure	36	143	4	18	201
Total support costs		129	511	14	64	718

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.

2016 comparatives:

Group and Trust	Basis of allocation	Running & maintaining the Park	Running & maintaining the Palace	Learning & community	Regeneration	Total 2016
Support costs allocated to activities		£'000	£'000	£'000	£'000	
Governance	Pro rata to charitable expenditure	12	47	2	33	94
General Office overheads	Pro rata to charitable expenditure	33	128	5	89	255
Office Management incl. Finance & HR	Pro rata to charitable expenditure	21	79	3	55	158
Total support costs		66	254	10	177	507

9. Net income/(expenditure) for the year

	2017	2016
	£'000	£'000
Net income/(expenditure) is stated after charging:		
Fees payable to the charity's auditor for the audit of the charity's annual accounts	15	22
Fees payable to the charity's auditor for other services:	-	-
The audit of the charity's subsidiary, pursuant to legislation	15	19
Tax compliance services	2	4
Tax advisory services	-	-
Operating lease rentals - land and buildings	6	6
Operating lease rentals - plant and machinery	25	36
Depreciation	530	464
	<u>530</u>	<u>464</u>

10. Analysis of staff costs, Trustees remuneration and expenses, and the cost of key Management Personnel

	Group		Trust	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Wages and salaries	3,114	2,837	758	500
Social security costs	301	273	81	54
Pension costs – Defined Benefit scheme	137	93	119	75
Pension costs – Defined Contribution scheme	95	76	17	11
Agency staff costs	857	641	6	11
Redundancy and restructuring	39	-	15	-
	<u>4,543</u>	<u>3,920</u>	<u>996</u>	<u>651</u>

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

	2017	2016
	Number	Number
£60,000 - £70,000	4	3
£70,000 - £80,000	2	1
£80,000 - £90,000	1	1
£100,00 - £110,000	1	-
£110,000 - £120,000	-	1
£140,000 - £150,000	1	-

The average number of employees, analysed by function, including both permanent employees and casual staff was:

	Group		Trust	
	2017	2016	2017	2016
	Number	Number	Number	Number
Cost of generating funds	94	95	1	-
Running the Park	1	1	1	1
Running the Palace	6	4	6	4
Learning and Community	2	1	2	1
Regeneration	3	3	3	3
Management and administration	17	14	5	4
	<u>123</u>	<u>118</u>	<u>18</u>	<u>13</u>

10. Analysis of staff costs, Trustees remuneration and expenses, and the cost of key Management Personnel (continued)

The total remuneration (including pension contributions but excluding employer's NIC) of the key management personnel of the Charity for the year totalled £297,600 (2016: £125,400). Total employer's NIC paid in respect of key management personnel of the Charity for the year totalled £32,600 (2016: £14,600)

The key management personnel of the Group comprise those of the Charity and key management personnel of its wholly-owned subsidiary Alexandra Palace Trading Ltd. The total remuneration (including pension contributions but excluding employer's NIC) of the key management personnel of the Group for the year totalled £605,700 (2016: £413,200). Total employer's NIC paid in respect of key management personnel of the Group for the year totalled £70,400 (2016: £45,700)

Trustees' remuneration

The trustees did not receive any remuneration or reimbursement of expenses during the year (2016: £nil)

11. Tax on profit on ordinary activities of trading subsidiary

The trading subsidiary has no tax charge for the year (2016: £nil). The tax assessed for the period is lower than that resulting from applying the UK rate of corporation tax. The differences are explained below:

	2017	2016
	£000	£000
Profit on ordinary activities before taxation	880	1,555
Gift aid to parent charity	(920)	(1,300)
Repayment of gift aid	-	868
Loss/profit on ordinary activities before taxation	<u>(40)</u>	<u>1,123</u>
Tax on profit on ordinary activities at 20%	(8)	225
Expenses not deductible for tax purposes	1	1
Income not taxable	-	(174)
Other short-term timing differences	(9)	(83)
Items charged elsewhere (eg. extraordinary, reserves)	16	31
Tax charge	<u>-</u>	<u>-</u>

A deferred tax asset of £51,056 (2016: £49,223) in relation to short term timing differences has been recognised and set off against a deferred tax liability of £51,056 (2016: 49,223) in relation to fixed asset timing differences. A further deferred tax asset of £2,407 (2016: £11,235) has not been recognised in respect of timing differences. This asset will crystalize if the company makes sufficient profits in future against which the reversal of these timing differences can be recovered.

12. Tangible fixed assets

Group	Trust Office equipment, furniture and fittings	Trust Total £'000	Group Plant and machinery £'000	Group Office equipment, furniture and fittings £'000	Group Motor vehicles £'000	Group Total £'000
Cost						
At 1 April 2016	220	220	357	752	11	1,132
Additions	7	7	43	73	-	116
Disposals	(119)	(119)	-	(119)	-	(119)
At 31 March 2017	108	108	400	706	11	1,117
Depreciation						
At 1 April 2016	155	155	23	411	6	452
Charge for the year	28	28	23	144	2	169
Disposals	(119)	(119)	-	(119)	-	(119)
At 31 March 2017	64	64	46	436	8	490
Net book value						
At 31 March 2017	44	44	354	270	3	627
At 31 March 2016	65	65	334	341	5	680

13. Heritage assets

Trust and Group	Improvements to Palace and Park £'000	Asset under construction £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 April 2016	4,638	455	961	6,054
Additions	416	4,481	68	4,965
Disposals	(17)	-	-	(17)
At 31 March 2017	5,037	4,936	1,029	11,002
Depreciation				
At 1 April 2016	928	-	437	1,365
Charge for the year	262	-	99	361
Disposals	(17)	-	-	(17)
At 31 March 2017	1,173	-	536	1,709
Net book value				
At 31 March 2017	3,864	4,936	493	9,293
At 31 March 2016	3,710	455	524	4,689

13. Heritage assets (continued)

The assets of the Trust include the Grade II listed Victorian Palace building and its contents, including the Willis organ, and the 196 acres of parkland. These are not held on the balance sheet as reliable cost information is not available, conventional valuation approaches lack sufficient reliability and significant costs would be involved in obtaining a valuation which would be onerous compared with the additional benefit derived by users of the accounts.

	2017 £'000	2016 £'000	2014 £'000	2013 £'000	2012 £'000
Additions at cost	4,965	739	550	966	494
Disposals at book value	(17)	(32)	(648)	-	-
Disposals proceeds	-	-	-	-	-
Depreciation/impairment	361	310	300	288	299

14. Fixed asset investments

Trust only	2017 £	2016 £
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 with registration number 3819988, registered in England and Wales. Alexandra Palace Trading Limited raises funds for Alexandra Park and 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 gift aid payable to Alexandra Park and Palace Charitable Trust for 2017 is £920,000 (2016: paid £1,300,000). 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:

	2017 £'000	2016 £'000
Turnover	11,524	12,708
Cost of sales	(9,500)	(9,768)
Gross Profit	2,024	2,940
Administrative expenses	(1,089)	(1,345)
Operating profit	935	1,595
Interest receivable and other similar income	6	5
Other finance costs	(61)	(45)
Other income	-	868
Profit payable via gift aid to the trust	(920)	(1,300)
Result for the financial year	(40)	1,123
Retained profit / (deficit) brought forward	571	(709)
Actuarial gain on pension fund	81	157
Retained profit carried forward	612	571

15. Stocks

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Food and beverages	106	82	-	-
Disposables	25	28	-	-
	<u>131</u>	<u>100</u>	<u>-</u>	<u>-</u>

16. Debtors: amounts falling due within one year

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade debtors	860	1,518	18	2
Other amounts due from subsidiary undertaking	-	-	132	237
Gift aid due from subsidiary undertaking	-	-	920	1,300
Other debtors	18,697	24,508	18,697	24,508
Prepayments and accrued income	146	78	21	4
	<u>19,703</u>	<u>26,104</u>	<u>19,788</u>	<u>26,051</u>

17. Creditors: amount falling due within one year

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade creditors	2,278	2,404	1,723	979
Amounts due to subsidiary undertaking	-	-	686	756
Taxation and social security	185	47	-	-
Other creditors	1,951	198	195	31
Accruals	296	461	122	78
Deferred income	795	842	10	10
West Yard Storage loan	39	-	39	-
Ice rink refurbishment loans	115	125	115	125
Lighting loan	44	44	44	44
	<u>5,703</u>	<u>4,121</u>	<u>2,934</u>	<u>2,023</u>

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

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Pension deficit reduction plan	53	-	53	-
Ice rink refurbishment loans	1,350	1,465	1,350	1,465
Lighting loan	189	189	189	189
West Yard Storage Loan	2,461	-	2,461	-
	<u>4,053</u>	<u>1,654</u>	<u>4,053</u>	<u>1,654</u>

The ice rink refurbishment loan is an unsecured long-term loan from Haringey Council to refurbish the ice rink facility, of which £115,000 (2016: £125,000) is repayable within one year. This loan is repayable by annual instalments of £164,000 until 31 March 2028.

The lighting loan is from the Sustainable Investment Fund, Haringey Council. The loan is repayable over 7 years until April 2022 at zero interest.

The West Yard Storage Loan was advanced during the year from Haringey Council. The loan is repayable by 35 annual instalments of £122,000 each August at an interest rate of 3.32%

The Pension deficit reduction plan is an estimate of the pension contributions needed to fund a pension deficit where the members are not separately identifiable as required by FRS102.

19. Deferred income

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Reconciliation of movement:				
Balance brought forward	842	1,065	10	42
Amount released to SOFA during the year	(842)	(1,065)	(10)	(42)
Amount deferred during the year	795	842	10	10
Balance carried forward	<u>795</u>	<u>842</u>	<u>10</u>	<u>10</u>

20. Accumulated unrestricted funds

	Balance 1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Actuarial gain £'000	Balance 31 March 2017 £'000
Unrestricted	1,228	13,712	(13,906)	(230)	-	804
Pension deficit funds	(321)		48	-	81	(192)
Designated capital fund	2,757	-	(389)	4,278	-	6,646
	<u>3,664</u>	<u>13,712</u>	<u>(14,247)</u>	<u>4,048</u>	<u>81</u>	<u>7,258</u>

21. Restricted funds – Group and Trust

	Balance 1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 March 2017 £'000
Haringey Council Regeneration Project grant	6,335	-	(176)	(1,050)	5,109
Heritage Lottery Fund Regeneration Project grant	17,784	-	(409)	(2,450)	14,925
Haringey Council capital grant	116	585	-	(519)	182
American Express Foundation- donation	33	-	-	-	33
Tottenham Grammar School Foundation Regeneration Project – individual donations	- 10	10 82	- -	- -	10 92
Heritage Lottery Fund – Educational programme grant	29	-	-	(29)	-
J Paul Getty Jr Charitable Trust	50	-	-	-	50
Environmental Agency grant	1	-	-	-	1
English Heritage –Theatre Restoration	3	-	-	-	3
	<u>24,361</u>	<u>677</u>	<u>(585)</u>	<u>(4,048)</u>	<u>20,405</u>

The restricted funds balance at 31 March 2017 is represented by net current assets of £20,405,000
The Haringey Council Regeneration Project grant represents funds receivable for the restoration of the East Court, the Theatre and the BBC Studios.

The Heritage Lottery Fund Regeneration Project grant represents funds receivable for the restoration of the East Court, the Theatre and the BBC Studios.

The Haringey Council capital grant represents funds received for the purchase of fixed assets.
American Express Foundation donation represents funds received for the restoration of the Theatre.

Individual donations are restricted for the Regeneration Project.

The Heritage Lottery Fund relates to monies raised for restoration of the Theatre and the BBC Studios and the development of an educational programme.

The J Paul Getty Jr Charitable Trust relates to monies raised for restoration the East Court, Theatre and Television Studios.

Tottenham Grammar School Foundation is a grant towards Learning and Participation schools projects.

Comparative figures for the year to 31 March 2016 can be found in the 2016 financial statements which are publicly available on the Charity Commission's website.

21. Restricted funds – Group and Trust (continued)

The Environment Agency Grant Fund relates to monies raised for the Boating Lake.

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

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. £4,019,000 was transferred from restricted to designated funds in 2016/17 in relation to this.

22. Net assets between funds

	Unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Fixed assets	627	-	-	627
Heritage assets	2,647	6,646	-	9,293
Cash	5,707	-	2,150	7,857
Other current assets	1,136	-	18,698	19,834
Current liabilities	(5,260)	-	(443)	(5,703)
Creditors due after one year	(4,053)	-	-	(4,053)
Pension scheme liability	(192)	-	-	(192)
	<hr/>	<hr/>	<hr/>	<hr/>
Closing fund balance	612	6,646	20,405	27,663
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

23. Financial commitments

Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases:

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
- Within one year	39	28	7	6
- Between one and five years	58	22	3	9
	<hr/>	<hr/>	<hr/>	<hr/>
	97	50	10	15
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Capital commitments are as follows:

	Group		Trust	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Contracted for but not provided for:	21,834	872	21,834	872
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Other capital commitments relate to non-cancellable contract for works relating to the Regeneration of the East Wing of the Palace and the West Yard project.

24. 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 2016. 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 pensionable salary increases (excl. increments)	2.8 % per annum compound
Rate of price inflation/pensions increases	2.1 % per annum compound
Discount rate	4.0 % per annum compound

Following this valuation, the Actuary agreed that the Trust's contribution would be 24.9 % for the two years until 31 March 2019, then increasing to 26.4 % for the final year of the of the triennial period.

Trading company:

(b) 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 2 (2016: 3) scheme members still in the employment of the trading company as at 31 March 2017. 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 102: Section 28 "Employee Benefits".

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 2016. 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 pensionable salary increases (excl. increments)	2.8 % per annum compound
Rate of price inflation/pensions increases	2.1% per annum compound
Discount rate	4.0% per annum compound

Alexandra Palace Trading Limited employer's contribution is 27.2% of salary. The pension contribution for the year was £25,000 (2016: £24,000). In addition APTL paid £48,000 (2016: £46,000) towards reducing the fund deficit and £38,500 (2016:£Nil) because of a retirement of a scheme member.

24. Pension scheme (continued)

The actuarial valuation described above has been updated at 31 March 2017 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 102: Section 28 "Employee Benefits". 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	
	2017	2016
	%	%
Rate of price inflation/pensions increases	2.4	2.1
Salary increases	3.0	4.1
Discount rate	2.5	3.4

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

	Males	Females
Current pensioners	21.8 years	24.1 years
Future pensions	23.8 years	26.0 years

Recognition in the statement of financial activities

	2017	2016
	£'000	£'000
Current service cost	28	30
Past service cost	22	-
Interest cost	100	97
Interest income on plan assets	(89)	(82)
	<u>61</u>	<u>45</u>

Reconciliation of defined benefit obligation

	2017	2016
	£'000	£'000
Opening Defined Benefit Obligation	2,979	3,184
Current and past service cost	50	30
Interest cost	100	97
Contributions by members	6	6
Actuarial (gains)/losses	628	(207)
Benefits paid	(99)	(131)
Closing defined benefit obligation	<u>3,664</u>	<u>2,979</u>

24. Pension scheme (continued)

Reconciliation of fair value of employer assets

	2017 £'000	2016 £'000
Opening fair value of employer assets	2,658	2,681
Interest income on plan assets	89	82
Contributions by members	6	6
Contributions by the employer	109	70
Actuarial gains	709	(50)
Benefits paid	(99)	(131)
	<u>3,472</u>	<u>2,658</u>
Closing fair value of employer assets	3,472	2,658

The scheme assets are invested as follows:

	2017 £'000	2016 £'000
Equities	2,465	1,808
Bonds	694	532
Property	243	292
Cash	70	26
	<u>3,472</u>	<u>2,658</u>
Total	3,472	2,658

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

	2017 £'000	2015 £'000
Actuarial gain	81	157
	<u>81</u>	<u>157</u>

(c) Auto-enrolment pension scheme

Since June 2014 the trading company has operated the auto-enrolment pension scheme for all employees who joined after September 1999 and qualify to join the scheme. The scheme is administered by Scottish Widows. The company encourages its employees to contribute more than a minimum required contribution by doubling an employee contribution up to 10%. Otherwise the scheme is operated at a minimum level of required contributions. The employer's contribution for the year was £95,000 (2016: £76,000)

25. Contingent liabilities

In February 2015 the Corporate Trustee, and the Trust have agreed that the amount of revenue support (contribution) from the Borough advanced to the Trust since 1980 and up to 31 March 2015 will not be repayable in whole or in part by the Trust unless and until full financial provision has been made for the obligations and contractual commitments of the Trust for the foreseeable future. Any assessment of these obligations and commitments must be to the satisfaction of both the Trust and the Borough before any such repayment is initiated.

The amount of this contingent liability as at 31 March 2015 was £51,032,000. As the basis of funding provided by the Corporate Trustee has now changed to annual grant the value of this contingent liability remains unchanged as at 31st March 2017.

Prior to this agreement the deficit incurred each year formed part of the provision due to the Borough and was shown as a creditor on the Balance Sheet. The amount accumulated up to 31 March 2015 is recognised as income and shown as 'Other income' in the Statement of Financial Activities for the year ended 31 March 2015.

26. Related Party Transactions

The Mayor and Burgesses of Haringey acting through Haringey Council, 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.

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 the amounts paid by Alexandra Park and Palace Charitable Trust to

Haringey Council: general rates of £62,040 (2016: £62,000); exhibition licences of £80,833 (2016: £56,000) public liability insurance £46,560 (2016: £42,000); APTL liability insurance of £23,272 (2016: £21,000); legal and professional fees £25,353 (2016: £3,000), printing and other sundry items £5,463 (2016: £5,000).

Haringey Council also provided payroll services and grants throughout the year. The net balance due from Haringey Council in respect of these services is £2,478,800 at 31 March 2017 (2016: £6,143,600).