

**Company Registration No. 3819988**

**Alexandra Palace Trading Limited**

**Report and Financial Statements**

**31 March 2016**



# **Alexandra Palace Trading Limited**

## **Report and financial statements 2016**

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# **Alexandra Palace Trading Limited**

## **Report and financial statements 2016**

### **Officers and professional advisers**

#### **Directors**

J Christophides  
K Bartle (resigned 20 October 2015)  
P Berryman  
B Hare  
J Mann (resigned 8 May 2015)  
A Stennett (appointed 2 July 2015)  
L Stewarts (appointed 20 October 2015)  
R Wills  
D Wilson (resigned 4 May 2015)

#### **Secretary**

D Dominiczak (appointed 15 April 2015)

#### **Registered Office**

Alexandra Palace  
Alexandra Palace Way  
Wood Green  
London  
N22 7AY

#### **Bankers**

Natwest Bank  
14 The Broadway  
Wood Green  
London  
N22 6BZ

#### **Barclays Bank**

1 Churchill Place  
Canary Wharf  
London  
E14 5HP

#### **Solicitors**

Bates, Wells & Braithwaite  
Cheapside House  
London  
EC2V 6BB

#### **Independent Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London

# Alexandra Palace Trading Limited

## Chairman's Report

As Chair of the Board of Alexandra Palace Trading Limited (APTL) I am delighted to set out below the Directors' Report and Financial Statements for the Financial Year 2015/16.

The Palace, which has been a place of entertainment, recreation and education for more than 140 years, continues to deliver a diverse year-long programme of events and activities enjoyed by millions of people each year. The 148,000 square feet of usable space hosts the events business, an ice rink and catering operations all of which are operated by Alexandra Palace Trading Limited, with profits gift aided back to the Alexandra Park and Palace Charitable Trust.

Key to Alexandra Palace's trading success is the passion and commitment of its staff who work tirelessly to deliver an extraordinary experience to our clients and customers every time and I wish to thank them for their hard work, without which the objectives of Alexandra Palace would not be achieved.

I hope you enjoy reading the rest of these accounts.



J Christophides

31 August 2016

# Alexandra Palace Trading Limited

## Strategic Report

In preparing this report, the Directors have complied with section s414A of the Companies Act 2006.

The Commercial Team delivered one of the Palace's best years to date.

### Achievements 2015/16

- Events and Catering targets were exceeded and operating profit is 61% ahead of last year.
- Gift Aid exceeded the 2015-16 budget by 18% (£1,096,000) and was 38% up on previous year (£940,000)
- Investment in income generating spaces (capital improvements, repairs and maintenance) £705,000

Across the 9 spaces (including the Park) and taking into consideration that often more than one event takes place at once, events took place over the equivalent of 485 tenancy days and 403 event open days. The Palace hosted 180 incredible events, including 31 nights of live music and 21 exhibitions. The events attracted over 720,000 visitors and high profile events such as Darts, Ping Pong, Snooker, Haringey Box Cup, Legends of Gaming and Redbull were viewed live by millions of viewers on TV and online.

In addition to attracting events to the Palace the team continue to develop and grow our own brand events. Eight were delivered this year, including the German Bier Festival & Springfest and the Fireworks, Summer and Street Food and Craft Beer Festivals. These home grown events fill spaces in the calendar where traditionally the demand for the venue from its regular event clients declines, allowing the team to use their expertise to attract leisure and recreation consumers directly and with a different offering. These contributed 5% of the overall gross event profit.

The team have delivered this whilst also turning their attention to the East Wing restoration project, using their commercial and event expertise to shape the final designs and start to plan the operation of the spaces.

The team have worked hard to achieve these results, their dedication and passion for the Palace and the events they attract, develop, manage and deliver ensures that the reputation of Alexandra Palace as a world class, yet unique events venue, continues to grow.

### The future

Our organisation cannot be complacent. We face increasing competition, the economy is only recently out of recession and whilst leisure spending has held up through some difficult recent years, consumers are still looking for good value. We need to improve the level of service we offer to customers and clients, refresh our catering offers on site to maintain and increase secondary spending and become more adept at adapting our offer to meet the needs of our customers.

The company has grown at an impressive rate and over the coming year it needs to build a strong foundation for its future growth, investing in stronger financial systems, human resource management capability and improving its IT infrastructure if it is to continue to sustain its growth.

The East Wing Restoration project will place increasing demands on our time in the coming financial year as we test and revise the business plan for its operation and prepare to recruit new members of the team to help us deliver this new set of leisure and entertainment opportunities at the Palace.

From 1 April 2016 the licence between the Alexandra Park and Palace Charitable Trust ("the Trust") and APTL has been increased to reflect APTL's growth to date and ambitions for the future.

### Risks

The principal risks for our business are competition from existing alternative venues, and the British weather to dampen our outdoor activities and to deter visitors to the Palace.

## **Alexandra Palace Trading Limited**

### **Strategic Report**

For bad weather we have the space and capacity to bring indoor our activities so that clients are not dissapointed and because of this we had no cancellations. We can also flex our catering opportunities accordingly to ensure internal catering is available through our many fixed outlets.

As a venue we are multipurpose with potential for many simultaneous activities taking place. We are a large venue with standing capacity for 10,250 visitors and have a number of distinct separate areas to cater for all types of clients.

We have one of the largest indoor ice rinks in London.

We are a diverse business and this is one of the major strengths of Alexandra Palace Trading Limited.

Approved by the Board of Directors  
and signed on behalf of the Board on 31 August 2016

A handwritten signature in black ink, appearing to read 'J Christophides', written in a cursive style.

J Christophides

# Alexandra Palace Trading Limited

## Directors' report

The Directors submit their report together with the audited financial statements for the year ended 31 March 2016.

The principal activity of the company is to raise funds for its parent charity, 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' public house and the ice rink.

### Going concern

The company is a wholly-owned subsidiary of Alexandra Park and Palace Charitable Trust and operates under a four year rolling licence granted by the Trust. The Council of the London Borough of Haringey is the sole trustee of the Trust. The object of the company is to generate profits in support of its parent entity thereby offsetting the Trust's deficit funding requirement from the Council. The company pays its profits to the Trust annually via gift aid and plans to retain minimal profit and loss reserves.

The group has taken action to rectify a historic situation which had arisen due to a change in guidance and practice with regard to a payment of gift aid. For many years 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 was 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 have considered various options to rectify the situation and have taken a decision to repay historic overpayments which are estimated at £868,000. Cash of £253,000 was repaid during the year and the remaining balance of £615,000 is shown as an intercompany loan outstanding at the year end. As a result of this adjustment the trading company's reserves are showing a healthy position of £571,000 which will enable the group to transfer an annual gift aid payment without any restrictions. The cash resources of both entities remain unchanged.

Taking all of the above facts into consideration together with a forward projection of trading the directors of the company believe it is appropriate to prepare these accounts on a going concern basis.

### Directors

The Directors of the company during the year and to the date of this report are listed on page one.

# Alexandra Palace Trading Limited

## Directors' report

### Directors' liability insurance

As permitted by Section 234 of the Companies Act 2006, the company has purchased insurance cover in respect of the directors' and officers' liability.

### Dividend and Gift Aid

No dividend is recommended by the directors (2015: £nil). The gift aid payable to the Trust was £1,300,000 (2015: £940,000)

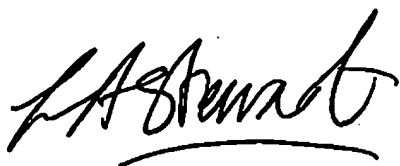
### Provision of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

On behalf of the Board



Louise Stewart  
Director

31 August 2016



## **Alexandra Palace Trading Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Alexandra Palace Trading Limited**

We have audited the financial statements of Alexandra Palace Trading Limited for the year ended 31 March 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 16. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the directors and the auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit 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 Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

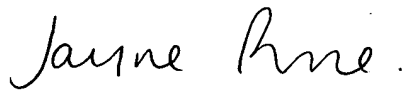
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Alexandra Palace Trading Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jayne Rowe, FCCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

6 September 2016

## Alexandra Palace Trading Limited

### Profit and loss account Year ended 31 March 2016

	Notes	2016 £000	2015 £000
Turnover	3	12,708	9,283
Cost of sales		(9,768)	(7,499)
<b>Gross profit</b>		<b>2,940</b>	<b>1,784</b>
Administrative expenses		(1,345)	(819)
<b>Operating profit</b>	4	<b>1,595</b>	<b>965</b>
Interest receivable and similar income		5	5
Other finance costs		(45)	(3)
<b>Profit on ordinary activities before taxation</b>		<b>1,555</b>	<b>967</b>
Taxation	7	-	-
<b>Profit on ordinary activities after taxation</b>		<b>1,555</b>	<b>967</b>

All the above amounts relate to continuing activities.

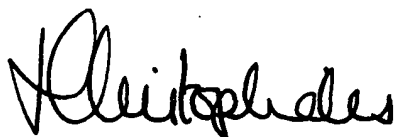
The notes on pages 13 to 22 form an integral part of these financial statements.

# Alexandra Palace Trading Limited

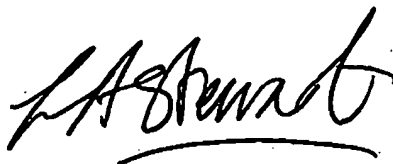
## Balance sheet at 31 March 2016

	Notes	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	8	615	369
<b>Current assets</b>			
Stocks	9	100	106
Debtors	10	2,346	1,392
Cash at bank and in hand		2,222	2,039
		4,668	3,537
<b>Creditors: amounts falling due within one year</b>	11	(4,391)	(4,091)
<b>Net current liabilities</b>		277	(554)
<b>Total assets less current liabilities</b>		892	(185)
<b>Creditors: amounts falling due after more than one year</b>	12	-	(21)
<b>Net liabilities excluding pension scheme liability</b>		892	(206)
<b>Pension scheme liability</b>	15	(321)	(503)
<b>Net assets / (liabilities)</b>		571	(709)
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account		571	(709)
<b>Shareholder's funds / (deficit)</b>		571	(709)

The financial statements of Alexandra Palace Trading Limited, company number 3819988 were approved by the Board of Directors on 31 August 2016 and were signed on its behalf by



J Christophides  
Chair



L Stewart  
Director

The notes on pages 13 to 22 form an integral part of these financial statements.

## Alexandra Palace Trading Limited

### Statement of changes in equity Year ended 31 March 2016

	Notes	Pension reserve £000	Trading reserve £000	Total £000
At 1 April 2014		(584)	(169)	(753)
Profit for the year		-	967	967
Remeasurement of net defined benefit liability		81	(64)	17
Profit payable via gift aid to Alexandra Park & Palace Charitable Trust		-	(940)	(940)
<b>At 31 March 2015</b>		<b>(503)</b>	<b>(206)</b>	<b>(709)</b>
Profit for the year		-	1,555	1,555
Remeasurement of net defined benefit liability		182	(25)	157
Repayment of gift aid		-	868	868
Profit payable via gift aid to Alexandra Park & Palace Charitable Trust		-	(1,300)	(1,300)
<b>At 31 March 2016</b>		<b>(321)</b>	<b>892</b>	<b>571</b>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 1. Accounting policies

#### Basis of accounting

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

#### General information and basis of accounting

Alexandra Palace Trading Limited ('the Company') is a company incorporated in the United Kingdom under the Companies Act.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

#### Going concern

The directors' considerations regarding the going concern assumption are included in the Directors' Report on page 3. Taking these facts into consideration, and having reviewed the possible uncertainties within the forecasts, the directors of the company believe it is appropriate to prepare these accounts on the going concern basis.

#### FRS 102

This is the first year in which the accounts are presented under FRS 102. The transition date was 1 April 2014. The comparatives for pensions in note 15 have been restated in line with FRS 102 in order to provide appropriate comparatives to the current year disclosures. However, the accounting entries in the Profit and Loss Account and the Statement of Changes in Equity have not been restated on the basis of materiality. There is no overall impact on the balance sheet valuation of the liability.

There have been no other adjustments relating to other requirements of FRS 102.

#### Turnover

Turnover represents the income from hiring of halls and catering for exhibitions, banquets, conferences, weddings and other events, the Bar & Kitchen and ice rink and excludes value added tax. Hall hire and event catering income is recognised in the period in which the event takes place.

#### Leased assets

All leases are operating leases and the annual rentals are charged to the profit and loss account on a straight-line basis, even if the payments are not made on such a basis.

#### Tangible fixed assets

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:

- Plant and machinery: 4% -10% per annum on a straight-line basis;
- Office equipment, furniture and fittings: 20% per annum on a straight-line basis; and
- Motor Vehicles: 20% per annum on a straight-line balance basis.

Normally assets are not capitalised if they are under a single transaction value of £500.

#### Stocks

Stocks are valued at the lower of cost and net realisable value and on a first in first out basis.

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 1. Accounting policies (continued)

#### Deferred income

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

#### Pension costs

The company operates a defined benefit pension scheme on behalf of certain employees. The company complies with accounting standard FRS102: Section 28 "Employee Benefits" in respect of this scheme.

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 is recognised in the balance sheet as a pension scheme asset or liability as appropriate.

For defined benefit schemes the amounts charged to operating profit are the current service costs and any gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost is shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the Statement of Changes in Equity.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

The company also operates a defined contribution scheme. For defined contribution schemes the amount charged to the profit and loss account 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.

#### Cash flow statement and Related party transactions

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

The Company is consolidated in the financial statements of its parent, Alexandra Park and Palace Charitable Trust ('the Trust').

Exemptions have been taken in these separate Company financial statements in relation to the presentation of a cash flow statement and not to disclose related party transactions between the Company and the Trust.

#### Financial Instruments

Financial assets and financial liabilities are recognised when the company 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 Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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.



# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 1. Accounting policies (continued)

#### Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current year's profits of £1,300,000 will be distributed via gift aid to the Alexandra Park and Palace and will therefore reduce the tax charge to nil. We have concluded that there is no need to recognise a tax liability.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors 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, see note 15.

### 3. Turnover

Turnover is wholly attributable to the company's principal activities and is wholly derived from trade within the United Kingdom.

### 4. Operating profit

	2016 £000	2015 £000
Operating profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the company's annual accounts	19	18
Fees payable to the Company's auditor for other services:		
Tax compliance services	4	4
Operating lease rentals	5	5
– Land and buildings		
– Others	21	24
Depreciation of fixed assets	114	93
	<hr/>	<hr/>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 5. Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	12	12

The directors' emoluments for 2015/16 relate to one paid non-executive director (2015: one). One executive Director received emoluments paid to her by the Alexandra Park and Palace Trust for her services as the Trust's CEO and for oversight of the Trading Company. The other directors, comprising four trustees of the parent charity (2015: four) and one employee of London Borough of Haringey (2015: one) have not received remuneration for their services. No Directors are members of the APTL pension scheme (2015: none).

### 6. Staff costs (including directors)

	2016 £000	2015 £000
Staff costs during the year:		
Wages and salaries	2,337	2,072
Social security costs	219	171
Pension cost - Defined benefit	18	18
Pension cost - Defined contribution	65	54
	<u>2,639</u>	<u>2,315</u>

Average number of persons employed during the year:

	2016 Number	2015 Number
Revenue generating activities	75	72
Management, administration and personnel	10	8
	<u>85</u>	<u>80</u>

### 7. Taxation

The company has no tax charge for the year (2015: £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:

	2016 £000	2015 £000
Profit on ordinary activities before taxation	1,123	27
Tax on profit on ordinary activities at 20% (2015: 21%)	225	6
Expenses not deductible for tax purposes	1	1
Income not taxable	(174)	-
Capital allowances greater than depreciation	-	7
Other short-term timing differences	(83)	(17)
Items charged elsewhere (eg. extraordinary, reserves)	31	3
Tax charge	<u>-</u>	<u>-</u>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 7. Taxation (continued)

A deferred tax asset of £49,223 (2015: £nil) in relation to short term timing differences has been recognised and set off against a deferred tax liability of £49,222 (2015: £nil) in relation to fixed asset timing differences. A further deferred tax asset of £11,235 (2015: £95,949 at 21%) has not been recognised in respect of timing differences. This asset will crystallise if the company makes sufficient profits in future against which the reversal of these timing differences can be recovered.

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 18% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 18%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

A reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this reduced rate. This rate change is to be included in the Finance Bill 2016 but this has not been substantively enacted at the balance sheet date.

### 8. Tangible fixed assets

	Plant and machinery £000	Office equipment, fixtures and fittings £000	Motor vehicles £000	Total £000
<b>Cost</b>				
At 1 April 2015	66	511	11	588
Additions	291	69	-	360
Disposals	-	(48)	-	(48)
At 31 March 2016	357	532	11	900
<b>Depreciation</b>				
At 1 April 2015	10	205	4	219
Charge for the year	13	99	2	114
Disposals	-	(48)	-	(48)
At 31 March 2016	23	256	6	285
<b>Net book value</b>				
At 31 March 2016	334	276	5	615
At 31 March 2015	56	306	7	369

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 9. Stocks

	2016 £000	2015 £000
Stocks comprise:		
Food and beverages	82	83
Disposables	18	23
	<u>100</u>	<u>106</u>

### 10. Debtors

	2016 £000	2015 £000
Trade debtors	1,516	1,262
Amount due from parent charity	756	-
Other debtors	-	2
Prepayments and accrued income	74	128
	<u>2,346</u>	<u>1,392</u>

### 11. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	1,425	717
Amount due to parent charity	237	67
Amount due under gift aid to parent charity	1,300	940
Other taxes and social security costs	47	258
Other creditors	167	775
Accruals	383	311
Deferred income	832	1,023
	<u>4,391</u>	<u>4,091</u>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 12. Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Deferred income	-	21
	<u>-</u>	<u>21</u>
	<u>-</u>	<u>21</u>

### 13. Called up share capital

	2016 £	2015 £
<b>Called up and fully paid</b>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 14. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016		2015	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- within one year	1	21	1	23
- between one and five years	-	13	-	34
	<u>1</u>	<u>34</u>	<u>1</u>	<u>57</u>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 15. Pension scheme

#### (a) 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 3 (2015: 3) scheme members still in the employment of the trading company as at 31 March 2016. 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 FRS102: 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 2013. 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 principal actuarial assumptions used were:

	Nominal % per annum
Rate of pensionable salary increases (excl. increments)	4.3 % per annum compound
Rate of price inflation/pensions increases	2.5 % per annum compound
Discount rate	4.6 % per annum compound

Alexandra Palace Trading Limited employer's contribution is 23% of salary. The total pension contribution for the year was £24,000 (2015: £24,000). In addition Alexandra Palace Trading Limited paid £46,000 (2015: £44,000) towards reducing the fund deficit.

The actuarial valuation described above has been updated at 31 March 2016 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS102: 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 for the year end date were:

	Nominal % per annum compound	
	2016	2015
Pension increase rate	2.1	2.1
Rate of pensionable salary increases (excluding increments)	4.1	4.0
Discount rate	3.4	3.1

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

	Males	Females
Current pensioners	21.9 years	24.1 years
Future pensioners	24.2 years	26.5 years

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 15. Pension scheme (continued)

#### Recognition in the profit and loss account

	2016 £000	2015 £000 Restated
Current service cost	30	25
Interest cost	97	117
Interest income on plan assets	(82)	(94)
	<u>45</u>	<u>48</u>

#### Reconciliation of defined benefit obligation

	2016 £'000	2015 £'000
Opening defined benefit obligation	3,184	2,901
Current service cost	30	26
Interest cost	97	117
Contributions by members	6	6
Actuarial (gains)/losses	(207)	237
Benefits paid	(131)	(103)
Closing defined benefit obligation	<u>2,979</u>	<u>3,184</u>

#### Reconciliation of fair value of scheme assets

	2016 £000	2015 £000 Restated
Opening fair value of employer assets	2,681	2,317
Interest income on plan assets	82	94
Contributions by members	6	6
Contributions by the employer	70	68
Actuarial (losses)/gains	(50)	299
Benefits paid	(131)	(103)
Closing fair value of employer assets	<u>2,658</u>	<u>2,681</u>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2016

### 15. Pension scheme (continued)

The scheme assets are invested as follows:

	2016 £000	2015 £000
Equities	1,808	1,877
Bonds	532	536
Property	292	241
Cash	26	27
Total	<u>2,658</u>	<u>2,681</u>

Analysis of amount recognised in statement of equity.

	2016 £000	2015 £000 Restated
Actuarial gain	<u>157</u>	<u>17</u>

### (b) Auto-enrolment pension scheme

From June 2014 the company has operated an auto-enrolment pension scheme for all employees who joined after September 1999 and qualify to join the scheme. The scheme is administered by B&CE. The company encourages its employees to contribute more than a minimum required contribution by doubling employee contributions up to 10%. Otherwise the scheme is operated at a minimum level of required contributions. The employer's contribution for the year was £65,000 (2015: £54,000)

### 16. Controlling party

The company's ultimate controlling party is the London Borough of Haringey. The parent undertaking of the largest group, which includes the company and for which group accounts are prepared, is the London Borough of Haringey. The parent undertaking of the smallest such group is Alexandra Park and Palace Charitable Trust (Charity number 281991). Copies of the group financial statements of the London Borough of Haringey are available from Haringey Council, Civic Centre, High Road, Wood Green, London N22 8LE. Copies of the group financial statements of Alexandra Park & Palace Charitable Trust are available from Alexandra Park & Palace Charitable Trust, Alexandra Palace, Alexandra Palace Way, London N22 7AY.