

Company Number: 3819988

ALEXANDRA PALACE TRADING LIMITED

**Financial statements
31 March 2006**



ALEXANDRA PALACE TRADING LIMITED

Financial statements for the year ended 31 March 2006

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ALEXANDRA PALACE TRADING LIMITED

Directors, officers and advisers

Directors as at the 31st March 2006

V H Manheim (Chair)
D Dillon (appointed 28th June 2005)
G N Golby
T E Golding
K E Holder
A Krokou
R A Reynolds

Secretary

K A Harrington

Registered office

Alexandra Palace
Alexandra Palace Way
Wood Green
London
N22 7AY

Auditors

Deloitte & Touche LLP
Hill House
1 Little New Street
London EC4A 3TR

Bankers

The Co-operative Bank
195 High Road
London
N22 6DP

Solicitors

Bates, Wells & Braithwaite
Cheapside House
London
EC2V 6BB

ALEXANDRA PALACE TRADING LIMITED

Directors' report for the year ended 31 March 2006

The directors submit their report together with the audited financial statements for the year ended 31 March 2006.

Principal activity and review of the business

The principal activity of the company during the year was to raise funds for its parent charity Alexandra Park & Palace Charitable Trust through the hiring of halls and catering for exhibitions, banquets, conferences, weddings and other events and the running of the Phoenix Public House. The company retained £39,076 of profit this year and the remainder of its taxable profits were gift aided to Alexandra Park & Palace Charitable Trust. The deed of covenant/gift aid payment for the year was £1,000,000 (2005: £1,245,168). The retained profit for the year, as detailed on page 6, was £39,076 (2005: £10,091).

The company has been advised by its sole shareholder that, assuming successful completion of current contract negotiations and approvals, the principal asset within which APTL's entire trading activity is undertaken to generate profit for the charity will be the subject of a leasing arrangement with its preferred investment partner in the autumn of 2006. The company will not therefore have premises from which to trade and generate covenanted profit.

Under the intended transfer arrangements all outstanding business will be transferred to the investment partner. At the date of transfer contracts with clients and suppliers of both goods and services will be novated in favour of the investment partner. Deposits held by the company against the delivery of future events will be transferred to the investment partner. All employees will have their individual employment contracts transferred under the provision of TUPE and pension rights for transferring employees will also be preserved. There will not be any FRS 17 pension deficit falling to the company at the point of transfer or subsequently.

The directors have concluded that the Memorandum and Articles of Association of Alexandra Palace Trading Ltd. cannot be served in the absence of the premises to be used for the delivery of contracts or the staff to deliver those contracts. They have concluded that at the point of transfer voluntary winding up will be the only practical course of action open to them.

The company will, for a short period, operate in a non-trading capacity and will continue to process the receipts of monies due from its debtors and the payment of its creditors until finally the whole operation will be voluntarily wound up. It is anticipated that stocks held at the date of transfer will be disposed of through the investment partner at cost and any assets at their written down value.

The surplus arising from the conclusion of this process will be covenanted to its parent company Alexandra Park and Palace Charitable Trust. Arrangements have been put in place to ensure that sufficient key staff are retained within the company to ensure that the voluntary winding up process is completed and accurate accounts are produced at the conclusion. At this point all the directors will resign and compensation payments for loss of office made as appropriate to support the indemnification requirement of the investment partner.

ALEXANDRA PALACE TRADING LIMITED

Directors' report for the year ended 31 March 2006

Directors and their interests

The directors of the company during the year and to the date of this report, none of which had any interests in the share capital, were as follows:

V H Manheim (Chair)	(resigned 5 th July 2006)
D Dillon	(appointed 28 th June 2005, resigned 5 th July 2006)
A R Dobbie	(resigned 28 th June 2005)
G N Golby	
T E Golding	
K E Holder	
A Krokou	(resigned 5 th July 06)
R A Reynolds	(resigned 5 th July 06)
D J Warwick	(resigned 30 th September 2005)
C Adje	(appointed 5 th July 06)
P Egan	(appointed 5 th July 06)
S Peacock	(appointed 5 th July 06)
B Hare	(appointed 5 th July 06)

New directors responsibilities requirement for 2006 accounts

The directors are responsible for preparing the Directors Report and the financial statements. Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the company and comply with UK GAAP and the Companies Act 1985. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors Report which complies with the requirements of the Companies Act 1985.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

ALEXANDRA PALACE TRADING LIMITED

Directors' report for the year ended 31 March 2006

Fixed assets

Changes in fixed assets are detailed in Note 7 to the financial statements.

Directors' liability insurance

As permitted by Section 310 of the Companies Act 1985, the company has purchased insurance cover in respect of the directors' and officers' liability.

Provision of information to auditors

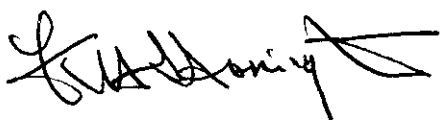
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have 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 auditors are aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

Deloitte & Touche LLP have declared their willingness to continue in office and a resolution to re-appoint them will be presented to the members at the Annual General Meeting.

By Order of the Board



K A Harrington

Secretary

Date: 12th September 2006

ALEXANDRA PALACE TRADING LIMITED

Independent auditors' 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 2006 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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 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 directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ALEXANDRA PALACE TRADING LIMITED

Independent auditors' report to the members of Alexandra Palace Trading Limited (continued)

Qualified opinion arising from disagreement over accounting for pensions

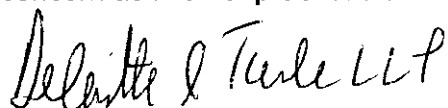
Nine employees of the company are members of a defined benefit pension scheme. As described in note 1 and the directors' report, the Directors have chosen to account for this scheme as if it were a defined contribution scheme on the basis that all employees will have their individual employment contracts transferred under the provisions of TUPE to the preferred investment partner on completion of the business transfer currently under negotiation. The Corporate Trustee of the parent charity will then become responsible for the accumulated deficit. This does not comply with the requirements of FRS 17 *Retirement Benefits*. The effect of the failure to properly apply FRS 17 is to understate profits for the year by £107,000, understate actuarial losses by £66,000 and overstate net assets by £544,000, as described more fully in note 14.

Except for the failure to account for the defined benefit pension scheme as such, in our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Emphasis of matter – Going concern

Without qualifying our opinion in this respect we draw attention to the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The company has been advised by its parent charity that Alexandra Palace, which are the sole premises from which the company trades are likely to be the subject of a leasing arrangement in the Autumn of 2006. In this circumstance the company would not have premises from which to continue to trade. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on about the company's ability to continue as a going concern and its ability to realise its assets and discharge its liabilities in the normal course of business rather than by transfer to Firoka. The financial statements do not include the adjustments that could result if the company was unable to continue as a going concern as it is not practicable to determine or quantify them.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

10 October 2006

ALEXANDRA PALACE TRADING LIMITED

Profit and loss account for the year ended 31 March 2006

	Notes	2006 £	2005 £
Turnover	2	5,040,783	5,057,931
Cost of sales		(3,589,849)	(3,440,403)
Gross profit		1,450,934	1,617,528
Operating expenses		(490,426)	(433,975)
Operating profit	3	960,508	1,183,553
Interest receivable		78,568	71,706
Profit paid via covenant/gift aid to Alexandra Palace & Park		(1,000,000)	(1,245,168)
Profit on ordinary activities before taxation		39,076	10,091
Taxation	6	-	-
Profit for the financial year		39,076	10,091
Retained profit/loss brought forward		1,599	(8,492)
Retained profit carried forward		40,675	1,599

There were no recognised gains and losses for the year other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

All the above amounts relate to continuing activities.

The notes on pages 9 to 17 form an integral part of these financial statements.

ALEXANDRA PALACE TRADING LIMITED

Balance sheet at 31 March 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	7	7,291	9,721
		<hr/>	<hr/>
Current assets			
Stocks	8	116,920	125,750
Debtors	9	225,877	288,911
Cash at bank and in hand		1,772,415	1,949,941
		<hr/>	<hr/>
		2,115,212	2,364,602
Creditors: amounts falling due within one year	10	(2,081,826)	(2,372,722)
		<hr/>	<hr/>
Net current assets/(liabilities)		33,386	(8,120)
		<hr/>	<hr/>
Total assets less current liabilities		40,677	1,601
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		40,675	1,599
		<hr/>	<hr/>
Shareholders' funds	12	40,677	1,601
		<hr/>	<hr/>

The financial statements set out on pages 7 to 17 were approved by the Board of Directors on 12th September 2006 and were signed on its behalf by:-


) Directors
)
)

The notes on pages 9 to 17 form an integral part of these financial statements.

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2006

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards using the historical cost basis of accounting. Funds held in a custodial capacity are not included in the balance sheet.

b) Going concern

Following the marketing across Europe of Alexandra Palace and its immediate surrounding area, Haringey Council have announced that they have selected Firoka as their chosen investment partner to operate Alexandra Palace, the premises from which the Company operates.

If the final negotiations with Firoka are successful then Firoka will sign a fully repairing lease of the property for 125 years. The Company will cease to trade and transfer the responsibility for delivering all the outstanding client contracts to Firoka.

All of the associated staff will transfer to Firoka under the TUPE regulations and all of the Company's supplier contracts will be novated in their favour, along with all monies paid by clients for the delivery of exhibitions and events will be paid over to Firoka less a credit for any food and beverage stocks remaining at the time of transfer on a cost basis. No additional credit will be received for fixtures, fittings, plant and machinery as these are deemed to be included within the consideration for the building.

If the final negotiations and approvals are unsuccessful, then the directors intend that the current delivery of services by the Company will continue.

As the negotiations with Firoka are at an advanced stage but are not yet completed, there remains a material uncertainty which casts significant doubt as to the ability of the company to continue as a going concern and therefore to realise its assets and discharge its liabilities in the normal course of business, rather than by way of transfer to Firoka as part of their investment agreement. On the basis that the deal with Firoka is not yet unconditional, the directors have a realistic alternative to ceasing trading, and, as required by FRS 18, have continued to prepare the accounts on the going concern basis.

c) Turnover

Turnover represents the income from hiring of halls and catering for exhibitions, banquets, conferences, weddings and other events and excludes value added tax.

d) Leased assets

All leases are operating leases and the annual rentals are charged to the profit and loss account as they fall due.

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2006

e) **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:

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

f) **Stocks**

Stocks are valued at the lower of cost and net realisable value.

About 53% of the stocks comprise wines and spirits and the company is actively running down stock levels in order to ensure that reorder levels are kept to a minimum. Any orders are being done solely on the basis of anticipated consumption. Other stocks being mainly perishable by nature have a high stock turnover ratio though the same policy is being pursued with regards to reorder levels.

g) **Income in advance**

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

h) **Pension contributions**

Costs are accounted for on a contributions payable basis. The company has not complied with the requirements of FRS 17 for the reasons set out in the directors' report and in particular that, in light of the anticipated transfer of the company's workforce to Firoka that there will not be any ongoing pension deficit falling to the company.

i) **Cashflow statement**

The company has taken advantage of the exemption conferred on a wholly owned subsidiary by FRS 1 (revised) from the requirement to present a cashflow statement.

j) **Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

2. **Turnover**

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

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2006

3.	Operating profit	2006	2005
	Operating profit is stated after charging:	£	£
	Directors' remuneration (see note 4)	72,397	59,558
	Auditors' remuneration: - audit fees	16,500	16,000
	Operating lease rentals: land and buildings	290,896	373,109
	vehicle rentals	-	8,339
	Depreciation	2,430	3,240
		<hr/>	<hr/>

4.	Directors' remuneration	2006	2005
		£	£
	Directors' emoluments	72,397	59,558
		<hr/>	<hr/>
		72,397	59,558
		<hr/>	<hr/>

The directors' emoluments for the current year relate to one paid director and two paid non-executive directors. The other directors comprising of four Trustees of the parent charity and the Chief Executive of the London Borough of Haringey receive no remuneration for their services.

5.	Staff costs (including directors)	2006	2005
	Staff costs during the year:	£	£
	Wages and salaries	1,092,091	1,155,639
	Social security costs	98,835	102,724
		<hr/>	<hr/>
		1,190,926	1,258,363
	Personal pension scheme contributions (note 14(b))	24,654	29,047
	Defined benefit scheme contributions (note 14(a))	39,095	48,462
	Defined benefit scheme deficit contribution	114,000	-
		<hr/>	<hr/>
		1,368,675	1,335,872
		<hr/>	<hr/>

Average weekly number of persons employed during the year:

	2006	2005
	Number	Number
Event management/operations	12	10
Catering	15	12
Pub	4	4
Sales and marketing	6	5
Management, administration and personnel	6	8
	<hr/>	<hr/>
	43	39

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2006

6. Taxation

No tax liability arises in the company as all of the company's taxable profits are covenanted back to its parent Alexandra Park & Palace Charitable Trust. No tax liability on retained profits arises as it is intended that any residual amount of retained profits for the year will be gift aided to Alexandra Park & Palace Charitable Trust within the requisite timeframe.

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK: 30% (2005: 30%). The differences are explained below:

	2006 £	2005 £
Profit on ordinary activities before tax and Gift Aid	1,039,076	1,255,259
Tax at 30% thereon:	(311,723)	(376,578)
Effects of:		
Expenses not deductible for tax purpose	(623)	(484)
Capital allowances in excess of depreciation	(175)	(233)
Movement in short term timing differences	11,021	2,245
Gift aid payment	300,000	373,550
Amount at Nil rate of corporation tax	1,500	1,500
Rounding	-	-
Current tax charge for period	£Nil	£Nil

A deferred tax liability has not been recognised in respect of timing differences relating to capital allowances in excess of depreciation and short term timing differences as there is insufficient evidence that the liability will crystallize. The amount of the liability not recognised is £nil (2005: £nil). The liability would be crystallized if suitable tax profits were to arise in future periods which were not gifted to the parent charity.

7. Tangible fixed assets

	Office equipment fixtures & fittings £
Cost:	
At 1 st April 2005	32,512
Additions	-
At 31 st March 2006	32,512

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2006

Depreciation:

At 1 st April 2005	22,791
Charge for the year	2,430

At 31 st March 2006	25,221
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Net book value:

At 31 st March 2006	7,291
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At 31 st March 2005	9,721
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8. Stocks	2006	2005
Stocks comprise:	£	£
Beverages, food and disposables	104,698	110,649
Stationery stock	12,222	14,331
Stock of brochures	-	770
	<hr/>	<hr/>
	116,920	125,750
	<hr/>	<hr/>
9. Debtors	2006	2005
	£	£
Trade debtors	162,623	142,374
Other debtors	7,804	-
Prepayments and accrued income	55,450	146,537
	<hr/>	<hr/>
	225,877	288,911
	<hr/>	<hr/>
10. Creditors: amounts falling due within one year	2006	2005
	£	£
Income in advance	458,297	382,491
Trade creditors	181,644	331,264
Other taxes and social security costs	192,302	35,788
Amount due to parent charity	157,406	187,640
Amount due under deed of covenant to parent charity	1,000,000	1,211,868
Accruals	92,177	223,671
	<hr/>	<hr/>
	2,081,826	2,372,722
	<hr/>	<hr/>

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2006

11. Share capital	2006	2005
	£	£
Authorised: 100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, issued and fully paid:		
2 Ordinary shares of £1 each	2	2
	<hr/>	<hr/>
12. Reconciliation of movement in shareholders' funds	2006	2005
	£	£
Opening shareholders' funds	1,601	(8,490)
Profit/(loss) for the financial year	39,076	10,091
	<hr/>	<hr/>
Closing shareholders' funds	40,677	1,601
	<hr/>	<hr/>
13. Commitments under operating leases	2006	2005
	Land & Motor	Land & Motor
	buildings vehicle	buildings vehicle
Payments due within one year		
on leases expiring:	£	£
Within 1 year	35,896	-
Within 2-5 years	255,000	-
	<hr/>	<hr/>

14. Pension scheme

a) Defined benefit scheme

The trading company operates a defined benefit pension scheme for the benefit of 22 scheme members who transferred to the trading company, from the Trust, on 1 November 1999. There are 9 (2005: 11) scheme members still in the employment of the trading company as at 31 March 2006. The assets of the Scheme are in a fund independent from the trading company and are administered by Haringey Council under the provisions of the Local Government Superannuation Act. The company has not complied with FRS 17 and has accounted for contributions on the basis of those payable. The contents of the directors report suitably cover the background to this and in particular that there will not be any FRS 17 pension deficit falling to the company at the point of transfer or subsequently.

The Fund is independently valued on a regular basis by a firm of actuaries. The last valuation took place in March 2006. The purpose is to assess the adequacy of the Fund's investments and contributions. The last actuarial valuation was carried out using the Projected Unit Method.

Economic and statistical assumptions were used. The assumptions which have the most significant effect on the results of the valuation are:

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2006

14. Pension scheme (continued) (a) Defined benefit scheme (continued)

	Nominal % per annum
Rate of investment - equities	- 7.4 % per annum compound
Rate of investment - bonds	- 4.6 % per annum compound
Rate of pensionable salary increases (excluding increments)	- 4.6 % per annum compound
Rate of price inflation/pensions increases	- 3.1 % per annum compound
Discount rate	- 4.9 % per annum compound

The level of funding as a whole at 31 March 2006 was 69.0%, and the market value of the Fund at the time of the last valuation was £405 million for the whole of the scheme of which £1,010,000 is the share for Alexandra Palace Trading Limited. Alexandra Palace Trading Limited employer's contribution is 16.2% of salary. Alexandra Palace Trading Limited is also paying additional monetary amounts of £119,000 for the year ended 31 March 2007, and £125,000 for the year ended 31 March 2008. The pension contribution for the year was £39,095 (2005: £48,462).

The actuarial valuation described above has been updated at 31 March 2006 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value.

The major assumptions used for the actuarial valuation were:

	Nominal % per annum compound		
	2006	2005	2004
Price increases	3.10	2.90	2.90
Rate of pensionable salary increases (excluding increments)	4.60	4.40	4.40
Rate of price inflation/pensions increases	3.10	2.90	2.90
Discount rate	4.90	5.40	5.50

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

	2006 %	2006 £	2005 %	2005 £	2004 %	2004 £
Equities	7.4	1,092,000	7.7	755,000	7.7	720,000
Bonds	4.6	274,000	4.8	215,000	5.1	219,000
Property	5.5	72,000	5.7	52,000	6.5	52,000
Cash	4.6	46,000	4.0	36,000	4.0	19,000
Total fair value of assets		1,484,000		1,058,000		1,010,000
Present value of scheme liabilities		2,028,000		(1,643,000)		(1,557,000)
Net pension liability		(544,000)		(585,000)		(547,000)

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2006

14. Pension scheme (continued) (a) Defined benefit scheme (continued)

For the year ended 31 March 2006, the expected return on the above assets was £78,000 (2005: £72,000) less the interest on pension scheme liabilities of £90,000 (2005: £87,000) gives a net return of (£12,000) (2005: (£15,000)) as the amount credited from other finance income. Therefore overall the net cost to the revenue account for the year ended 31 March 2006 is £57,000 (2005: £66,000) after deduction of the service cost.

Analysis of Amount Recognised in Statement of Total Recognised Gains and Losses (STRGL):

	2006 £	2005 £
Actual return less expected return on pension scheme assets	194,000	38,000
Experience gains and losses arising on the scheme liabilities	(1,000)	(16,000)
Changes in financial assumptions underlying the present value of the scheme liabilities	(259,000)	(42,000)
	<hr/>	<hr/>
Actuarial (loss) in pension plan	(66,000)	(20,000)
Increase in irrecoverable surplus from membership fall and other factors		-
	<hr/>	<hr/>
Actuarial (loss) recognised in STRGL	(66,000)	(20,000)
	<hr/>	<hr/>

Movement in Deficit during the year:

	2006 £	2005 £
Deficit at beginning of the year	(585,000)	(547,000)
Current service cost	(45,000)	(51,000)
Employers contributions	164,000	48,000
Net return on assets	(12,000)	(15,000)
Actuarial gains/(losses)	(66,000)	(20,000)
	<hr/>	<hr/>
Deficit at the end of the year	(544,000)	(585,000)
	<hr/>	<hr/>

History of Experience Gains and Losses

	2006 £	2005 £
Difference between the expected and actual return on assets	194,000	38,000
Value of assets	1,484,000	1,058,000
Percentage of assets	13.0%	3.6%

Experience losses on liabilities	(1,000)	(16,000)
Present value of liabilities	2,028,000	1,643,000
Percentage of the present value of liabilities	(0.0%)	(1.0%)

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2006

14. Pension scheme (continued)

(a) Defined benefit scheme (continued)

Actuarial gains/(losses)	(66,000)	(20,000)
Present value of liabilities	2,028,000	1,643,000
Percentage of the present value of liabilities	(3.3%)	(1.2%)

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

b) Stakeholder personal pension scheme

For new employees to the trading company since 1 September 1999, the trading company has established a stakeholder pension and contributes personal pension contributions into this scheme. The employer's contribution is 10% of salary and the pension contribution for the year was £24,654 (2005: £29,047). Included within creditors is an amount of £nil (2005: £857) in respect of accrued employer contributions.

15. Controlling party

The controlling party is Alexandra Park & Palace Charitable Trust (Charity number 281991). Copies of the consolidated accounts can be obtained from Alexandra Park & Palace Charitable Trust, Alexandra Palace, Alexandra Palace Way, London N22 7AY.

Alexandra Palace Trading Limited

For the information of the directors only

Detailed profit and loss account For the year ended 31 March 2006

Sales	2006 £	2005 £
Hall Hire:		
Exhibition hire revenue)		1,071,622
Major event hire fees)	2,083,189	1,090,509
Banqueting room hire)		46,025
Small room hire	109,591	116,748
Facility revenue	392,064	442,586
Cancellation fees	74,408	98,876
	<hr/>	<hr/>
Total hall hire	2,659,252	2,866,366
	<hr/>	<hr/>
Catering sales:		
Exhibition beverage sales)		127,425
Major event beverage sales)		232,306
Banqueting beverages)	919,850	109,889
Small room beverages)		50,899
Phoenix pub beverage sales	370,785	404,530
	<hr/>	<hr/>
Sub-total beverage sales	1,290,635	925,049
	<hr/>	<hr/>
Exhibition food sales)		391,716
Major event food sales)		172,740
Banqueting food sales)	876,408	248,588
Small room food sales)		157,322
Ice rink café)		111,091
Phoenix food sales	136,464	122,913
	<hr/>	<hr/>
Sub-total food sales	1,012,872	1,204,370
	<hr/>	<hr/>
Total catering sales	2,303,507	2,129,419
	<hr/>	<hr/>
Sundry sales	17,852	2,105
Concession income	60,172	60,041
	<hr/>	<hr/>
Total turnover	5,040,783	5,057,931
	<hr/>	<hr/>

Alexandra Palace Trading Limited**For the information of the directors only****Detailed profit and loss account
For the year ended 31 March 2006**

	2006	2005
	£	£
Cost of sales		
Part 3 facilities	463,817	372,909
Additional facility costs	125,204	221,675
Equipment hire	51,286	52,088
	<hr/>	<hr/>
Sub total service costs	640,307	646,672
	<hr/>	<hr/>
Beverage purchases		
Exhibition beverage purchases)		31,596
Major event beverage purchases)		64,226
Banqueting beverage purchases)	415,947	25,970
Small room beverage purchases)		13,335
Phoenix beverage purchases)		121,409
	<hr/>	<hr/>
Sub-total beverage purchases	415,947	256,536
	<hr/>	<hr/>
Food purchases		
Exhibition food purchases)		145,378
Major event food purchases)		50,325
Banqueting food purchases)	254,670	46,974
Small room food purchases)		30,241
Ice rink café)		49,613
Phoenix food purchases)	52,282	55,713
	<hr/>	<hr/>
Sub-total food purchases	306,952	378,244
	<hr/>	<hr/>
Other operating costs		
Commissions payable	23,926	24,401
Disposable purchases	50,345	51,188
Repairs & dilapidation- equipment/building	2,296	527
Maintenance- equipment/building	3,596	2,287
Licences – exhibitions	384	(1,538)
Licence – charity	255,000	252,750
Operating lease – marquee	35,896	120,359
Vehicle rentals	-	8,339
Motor expenses	16	6
Travel expenses	8,746	7,139
Catering utensils	4,062	3,742
Contract cleaning	8,162	7,339
Refuse removal	16,916	14,744
Cleaning materials	15,548	15,063
Uniform replacement	1,537	658
Laundry costs	11,725	12,490
Marketing	123,592	95,538
Telephone expenses	3,587	7,834
Postage costs	2,583	3,451
Office equipment expenses	387	571
Electricity (90%)	129,851	100,264
Gas (90%)	85,665	43,630
Water charges (90%)	13,380	9,618
	<hr/>	<hr/>
Total operating costs carried forward to next page	2,160,406	2,061,852

Alexandra Palace Trading Limited**For the information of the directors only****Detailed profit and loss account
For the year ended 31 March 2006**

	2006	2005
	£	£
Cost of sales		
Total operating costs brought forward from previous page	2,160,406	2,061,852
 Direct salaries and agency costs		
Banqueting/catering salaries	135,868	179,551
Phoenix salaries	29,562	49,543
Sales & marketing salaries	210,028	204,808
Maintenance and contracts	3,615	-
Events salaries	94,522	129,995
Operations salaries	192,538	162,800
	<hr/>	<hr/>
Sub-total direct salaries	666,133	726,697
	<hr/>	<hr/>
 Administration casuals	4,981	1,179
Sales casuals	454	6,970
Events casuals	-	659
Housekeeping casuals	436	-
Phoenix casuals/agency	164,965	143,057
Catering agency	450,190	366,568
Operations agency	119,241	120,908
Phoenix security agency	23,043	12,513
	<hr/>	<hr/>
Sub total agency/casuals	763,310	651,854
	<hr/>	<hr/>
 Total salaries/agency	1,429,443	1,378,551
	<hr/>	<hr/>
 Total cost of sales	3,589,849	3,440,403
	<hr/>	<hr/>
 Gross profit	1,450,934	1,617,528

Alexandra Palace Trading Limited**For the information of the directors only****Detailed profit and loss account
For the year ended 31 March 2006**

	2006	2005
	£	£
Gross profit	1,450,934	1,617,528
Interest receivable	78,568	71,706
Gross profit before office and premise costs	1,529,502	1,689,234
Office salaries:		
Finance department	145,363	219,607
Managing director's department	42,940	28,412
Non-executive directors	36,844	35,792
Sub-total salaries	225,147	283,811
Office and premise costs:		
Audit fees	16,500	16,000
Internal audit	(400)	10,545
Stocktake fees	-	1,150
General insurance	16,866	16,063
Death & illness cover insurance	2,516	5,720
Directors liability insurance	1,386	2,100
Legal costs	17,504	8,751
Professional fees	4,643	10,125
Health & safety professional fees & exps	6,949	8,941
Payroll costs	5,000	5,059
Electricity	14,428	11,140
Gas	9518	4,848
Water charges	1,487	1,069
Telephone expenses	7,565	6,778
Printing charges	3,074	5,094
Postage costs	1,093	1,274
Stationery	7,967	7,136
Cash collection costs	2,675	2,162
Client entertaining expenses	2,083	6,291
Bank charges	4,704	8,289
Training expenses	1,857	712
Staff welfare	4,638	4,457
Medical expenses	738	579
Discounts given / (taken)	(971)	(1,062)
Office equipment expenses	2,030	1,467
Recruitment expenses	14,120	1,700
Bad debts, debt collection, credit checks	472	343
Sundry	407	193
Pension contribution	114,000	-
Depreciation	2,430	3,240
Total office and premise expenses	265,279	150,164
Total expenses	490,426	433,975
Profit before deed of covenant	1,039,076	1,255,259
Less: Deed of covenant/Gift Aid	1,000,000	(1,245,168)
Net profit for the year	39,076	10,091