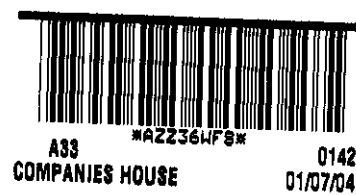


Company Number: 3819988

ALEXANDRA PALACE TRADING LIMITED

**Financial statements
31 March 2004**



ALEXANDRA PALACE TRADING LIMITED

Financial statements for the year ended 31 March 2004

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ALEXANDRA PALACE TRADING LIMITED

Directors, officers and advisers

Directors

A Krokou (Chairman)
K E Holder
A Dobbie
R Reynolds
R Milner
G N Golby
T E Golding
D J Warwick

Secretary

H Wilkinson

Registered office

Alexandra Palace
Alexandra Palace Way
Wood Green
London
N22 7AY

Auditors

Deloitte & Touche LLP
Hill House
1 Little New Street
London EC4A 4TR

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 2004

The directors submit their report together with the audited financial statements for the year ended 31 March 2004.

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 £5,000 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 £817,954 (2003: £933,746). The retained loss for the year, as detailed on page 5, was £(5,146) (2003: profit £685). The company continues to be profitable despite a continuing depressed market.

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:

A Krokou (Chairman)	
A Dobbie	
G N Golby	
T E Golding	
K E Holder	(appointed on 16 March 2004)
M G King	(resigned on 9 March 2004)
R Milner	(appointed on 9 June 2003).
R Reynolds	
D J Warwick	
I Diakides	(appointed on 27 June 2002 and resigned on 9 June 2003).

Statement of Directors' responsibilities

United Kingdom Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of its financial year and of the profit or loss of the company for the year then ended. In preparing those financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ALEXANDRA PALACE TRADING LIMITED

Directors' report for the year ended 31 March 2004

Fixed assets

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

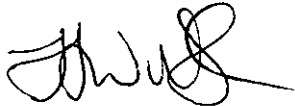
Directors' liability insurance

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

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

A handwritten signature in black ink, appearing to be 'H Wilkinson', written in a cursive style.

H Wilkinson
Secretary

Date: 29 June 2004

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 2004 which comprise the Profit and Loss account, Balance sheet and the related notes numbered 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

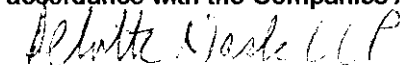
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE LLP
Chartered Accountants
Registered Auditors

London
Date: 29 June 2004

ALEXANDRA PALACE TRADING LIMITED

Profit and loss account for the year ended 31 March 2004

	Notes	2004 £	2003 £
Turnover	2	4,608,810	4,192,274
Cost of sales		(3,317,505)	(2,868,634)
Gross profit		1,291,305	1,323,640
Operating expenses		(524,601)	(449,509)
Operating profit	3	766,704	874,131
Interest receivable		46,104	60,300
Profit paid via covenant/gift aid to Alexandra Palace & Park		(817,954)	(933,746)
(Loss)/profit on ordinary activities before taxation		(5,146)	685
Taxation	6	-	-
(Loss)/profit for the financial year		(5,146)	685
Retained (loss)/profit brought forward		(3,346)	(4,031)
Retained loss carried forward		(8,492)	(3,346)

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 7 to 13 form an integral part of these financial statements.

ALEXANDRA PALACE TRADING LIMITED

Balance sheet at 31 March 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	7	<u>12,961</u>	<u>13,375</u>
Current assets			
Stocks	8	107,474	86,703
Debtors	9	407,106	395,716
Cash at bank and in hand		<u>1,320,347</u>	<u>1,333,089</u>
		1,834,927	1,815,508
Creditors: amounts falling due within one year	10	<u>(1,856,378)</u>	<u>(1,832,227)</u>
Net current liabilities		(21,451)	(16,719)
Total assets less current liabilities		<u>(8,490)</u>	<u>(3,344)</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		<u>(8,492)</u>	<u>(3,346)</u>
Equity Shareholders' funds	12	<u>(8,490)</u>	<u>(3,344)</u>

The financial statements set out on pages 5 to 13 were approved by the Board of Directors on 29 June 2004 and were signed on its behalf by:-

A KROKOU)
 K E HOLDER) Directors

The notes on pages 7 to 13 form an integral part of these financial statements.

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2004

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.

b) Turnover

Turnover represents the hiring of halls and catering for exhibitions, banquets, conferences, weddings and other events and excludes value added tax. Funds held in a custodial capacity are not included in the balance sheet.

c) Leased assets

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

d) 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.

e) Stocks

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

f) Current liabilities

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

g) Pension contributions

For defined benefit schemes the pension contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees working lives with the company. For personal pension scheme contributions the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year.

h) 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.

i) 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.

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2004

2. Turnover

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

3. Operating profit

	2004	2003
Operating profit is stated after charging:	£	£
Directors' remuneration (see note 4)	137,963	92,685
Auditors' remuneration: - audit fees	16,000	15,485
Operating lease rentals: land and buildings	383,175	364,250
vehicle rentals	7,245	8,153
Depreciation	4,320	4,458

4. Directors' remuneration

	2004	2003
	£	£
Directors' emoluments	131,163	87,084
Personal pension scheme contributions (1 director)	6,800	5,601
	137,963	92,685

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

5. Staff costs (including directors)

	2004	2003
Staff costs during the year:	£	£
Wages and salaries	1,159,018	1,095,949
Social security costs	101,325	88,571
	1,260,343	1,184,520
Personal pension scheme contributions (note 14(b))	35,558	41,252
Defined benefit scheme contributions (note 14(a))	44,899	42,756
	1,340,800	1,268,528

Average weekly number of persons employed during the year:

	2004	2003
	Number	Number
Event management/operations	10	11
Catering	18	16
Pub	7	7
Sales and marketing	5	7
Management, administration and personnel	8	9
	48	50

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2004

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.

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK: 30% (2003: 30%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax and Gift Aid	<u>812,808</u>	<u>934,431</u>
Tax at 30% thereon:	(243,842)	(280,329)
Effects of:		
Expenses not deductible for tax purpose	(3,510)	(636)
Capital allowances in excess of depreciation	(77)	(271)
Movement in short term timing differences	543	1,113
Gift aid payment	245,386	280,124
Amount at Nil rate of corporation tax	1,500	-
Rounding	-	(1)
Current tax charge for period	<u>£Nil</u>	<u>£Nil</u>

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 £392 (2003: £469). 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 2003	28,606
Additions	3,906
At 31 st March 2004	<u>32,512</u>
Depreciation:	
At 1 st April 2003	15,231
Charge for the year	4,320
At 31 st March 2004	<u>19,551</u>
Net book value:	
At 31 st March 2004	<u>12,961</u>
At 31 st March 2003	<u>13,375</u>

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2004

8.	Stocks	2004	2003
	Stocks comprise:	£	£
	Beverages, food and disposables	89,922	64,086
	Stationery stock	15,022	18,327
	Stock of brochures	2,530	4,290
		<u>107,474</u>	<u>86,703</u>
9.	Debtors	2004	2003
		£	£
	Trade debtors	211,358	200,911
	Other debtors	560	323
	Prepayments and accrued income	195,188	194,482
		<u>407,106</u>	<u>395,716</u>
10.	Creditors: amounts falling due within one year	2004	2003
		£	£
	Income in advance	401,445	383,236
	Trade creditors	194,850	189,472
	Other taxes and social security costs	19,007	32,150
	Amount due to parent charity	270,799	201,691
	Amount due under deed of covenant to parent charity	816,700	933,746
	Accruals	153,577	91,932
		<u>1,856,378</u>	<u>1,832,227</u>
11.	Share capital	2004	2003
		£	£
	Authorised: 100 Ordinary shares of £1 each	100	100
	Allotted, issued and fully paid:		
	2 Ordinary shares of £1 each	2	2
12.	Reconciliation of movement in shareholders' funds	2004	2003
		£	£
	Opening shareholders' funds	(3,344)	(4,029)
	(Loss)/profit for the financial year	(5,146)	685
	Closing shareholders' funds	<u>(8,490)</u>	<u>(3,344)</u>
13.	Commitments under operating leases	2004	2003
		Land & Motor	Land & Motor
	Payments due within one year	buildings vehicle	buildings vehicle
	on leases expiring:		
		£	£
	Within 1 year	114,375	8,060
	Within 2-5 years	249,000	-
		<u>363,375</u>	<u>8,060</u>

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2004

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 11 (2003: 12) scheme members still in the employment of the trading company as at 31 March 2004. 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.

The Fund is independently valued on a regular basis by a firm of actuaries. The last valuation took place in March 2001. The purpose is to assess the adequacy of the Fund's investments and contributions. The last actuarial valuation was carried out using the Projected Unit Method.

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

	Nominal % per annum
Rate of investment - equities	- 6.75% per annum compound
Rate of investment - bonds	- 5.75% per annum compound
Rate of pensionable salary increases (excluding increments)	- 4.30% per annum compound
Rate of price inflation/pensions increases	- 2.80% per annum compound

The level of funding as a whole at 31 March 2001 was 88.0%, and the market value of the Fund at the time of the last valuation was £441 million for the whole of the scheme of which £915,000 is the share for Alexandra Palace Trading Limited. Alexandra Palace Trading Limited employer's contribution is 15.5% of salary, increasing to 16.5% for the year ended 31 March 2005. The pension contribution for the year was £44,899 (2003: £42,756).

Additional disclosures regarding the company's defined benefit pension scheme are required under the transitional provisions of FRS 17 "Retirement benefits" and these are set out below. The disclosures relate to the second year of the transitional provisions. They provide information which will be necessary for full implementation of FRS 17 in the year ending 31 March 2006.

The actuarial valuation described above has been updated at 31 March 2004 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		
	2004	2003	2002
Price increases	2.90	2.50	2.80
Rate of pensionable salary increases (excluding increments)	4.40	4.00	4.30
Rate of price inflation/pensions increases	2.90	2.50	2.80
Discount rate	5.50	5.40	5.90

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2004

14. Pension scheme (continued)

a) Defined benefit scheme (continued)

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:

	2004	2004	2003	2003	2002	2002
	%	£	%	£	%	£
Equities	7.7	720,000	8.0	554,000	7.5	814,067
Bonds	5.1	219,000	4.8	178,000	5.5	187,925
Property	6.5	52,000	6.0	13,000	-	-
Cash	4.0	19,000	4.0	42,000	4.0	33,008
Total fair value of assets		<u>1,010,000</u>		<u>787,000</u>		<u>1,035,000</u>
Present value of scheme liabilities		<u>(1,557,000)</u>		<u>(1,339,000)</u>		<u>(1,218,000)</u>
Net pension liability		<u>(547,000)</u>		<u>(552,000)</u>		<u>(183,000)</u>

Alexandra Palace Trading Limited employer's contribution is 15.5% of salary, increasing to 16.5% for the year ended 31 March 2005. The pension contribution (service cost) for the year was £44,899 (2003: £42,756).

For the year ended 31 March 2004, the expected return on the above assets was £57,000 (2003: £73,000) less the interest on pension scheme liabilities of £74,000 (2003: £72,000) gives a net return of £(17,000) (2003: £1,000) as the amount credited from other finance income. Therefore overall the net cost to the revenue account for the year ended 31 March 2004 is £66,000 (2003: £42,000) after deduction of the service cost.

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

	2004	2003
	£	£
Actual return less expected return on pension scheme assets	126,000	(297,000)
Experience gains and losses arising on the scheme liabilities	(2,000)	(22,000)
Changes in financial assumptions underlying the present value of the scheme liabilities	<u>(98,000)</u>	<u>(51,000)</u>
Actuarial gain/(loss) in pension plan	26,000	(370,000)
Increase in irrecoverable surplus from membership fall and other factors	-	-
Actuarial gain/(loss) in recognised in STRGL	<u>26,000</u>	<u>(370,000)</u>

Movement in Deficit during the year:

	2004	2003
	£	£
Deficit at beginning of the year	(552,000)	(183,000)
Current service cost	(49,000)	(43,000)
Employers contributions	45,000	43,000
Net return on assets	(17,000)	1,000
Actuarial gains/(losses)	<u>26,000</u>	<u>(370,000)</u>
Deficit at the end of the year	<u>(547,000)</u>	<u>(552,000)</u>

ALEXANDRA PALACE TRADING LIMITED

Notes to the financial statements For the year ended 31 March 2004

14. Pension scheme (continued)

a) Defined benefit scheme (continued)

History of Experience Gains and Losses	2004	2003 £
Difference between the expected and actual return on assets	126,000	(297,000)
Value of assets	1,010,000	787,000
Percentage of assets	12.4%	(37.7%)
Experience losses on liabilities	(2,000)	(22,000)
Present value of liabilities	1,557,000	1,339,000
Percentage of the present value of liabilities	(0.1%)	(1.6%)
Actuarial gains/(losses)	26,000	(370,000)
Present value of liabilities	1,557,000	1,339,000
Percentage of the present value of liabilities	1.7%	(27.6%)

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 £35,558 (2003: £41,252). Included within creditors is an amount of £Nil (2003: £1,808) in respect of accrued employer contributions.

15. Ultimate parent

The ultimate parent is Alexandra Park & Palace Charitable Trust (Charity number 281991) whose trustee is the London Borough of Haringey. Copies of the consolidated accounts can be obtained from Alexandra Park & Palace Charitable Trust, Alexandra Palace, Alexandra Palace Way, London N22 7AY.