

Company Registration No. 3819988

Alexandra Palace Trading Limited

Report and Financial Statements

31 March 2017

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Alexandra Palace Trading Limited

Report and financial statements 2017

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Alexandra Palace Trading Limited

Report and financial statements 2017

Officers and professional advisers

Directors

J Christophides
A D'Alessandro – resigned December 2016
P Berryman – resigned November 2016
B Hare
A Stennett
L Stewarts
R Wills

Secretary

D Dominiczak

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

Russell-Cooke
2 Putney Hill
London
SW15 6AB

Independent Auditor

haysmacintyre
Chartered Accountants and Statutory Auditor
26 Red Lion Square
London
WC1R 4AG

Alexandra Palace Trading Limited

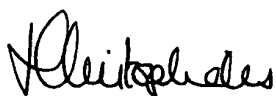
Chairman's Report

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 2016/17.

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.



Cllr Joanna Christophides

Alexandra Palace Trading Limited

Strategic Report

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

Achievements 2016/17

The Trading Company experienced a challenging but successful year in 2016/17 and delivered the second best year on record for both revenue and net profit (gift aid). Significant ground work was completed allowing the business to move forward into 2017/18 on a solid foundation.

The development of the Sales Strategy, which covered competitor analysis and industry trends through to core action plans for revenue generating departments, provided focus and purpose to the commercial team. The introduction of an on line diary system and CRM made their work more efficient and enabled to capture customer data for future cross-organisational business development.

The Growth Plan for developing and running our own events completed in 16/17 provided strategic direction for a significant and growing area of our commercial business. The Premises Licence has already been granted allowing hosting up to 30 open day events in the Park.

Key customer contracts were successfully re-negotiated for a further three year period including the PDC World Darts Championship and the Master Snooker, both major profit generating events for Alexandra Palace.

In terms of major negotiations with suppliers the ticketing contract worth in excess of £500,000 over the next three years has been tendered to secure most beneficial terms of contract both in value and customer service.

The future

Teams across the Trading Company have been strengthened with new roles introduced into catering, events, sales, health and safety and shared services including HR and Finance. The impact of introducing enhanced capacity and capability in 2016/17 will assist in realising the targets for 2017/18 and beyond.

Further investment is required to support future growth, in particular in IT infrastructure and reporting systems.

Risks

The principal risks to our business are competition from existing alternative venues as well as limited ability to invest back in our business development and the British weather which restricts our ability to organise events in the Park.

Pitching ourselves against existing alternative venues we are multipurpose with potential for many simultaneous activities taking place. We are a large venue with standing capacity for ten thousand concert goers and have a number of distinct separate areas to cater for all types of clients. We can also flex our catering opportunities accordingly to ensure internal catering is available through our many fixed outlets.

Investment in repairs and maintenance of the building, both outside and inside, is essential so that we are able to deliver a venue space to match our renowned level of service to our clients and customers.

To combat the British weather we have the space and capacity to bring indoors most events to avoid cancellations and loss of revenue.

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

Approved by the Board of Directors

and signed on behalf of the Board on 1 September 2017



CLlr Joanna Christophides

Alexandra Palace Trading Limited

Directors' report

The Directors submit their report together with the audited financial statements for the year ended 31 March 2017.

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.

Directors

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

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.

Gift Aid

The gift aid payable to the Trust was £920,000 (2016: £1,300,000).

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

1 September 2017

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 2017 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 2017 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 those accounts and this report has been prepared with applicable legal requirements. In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

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.



Richard Weaver (Senior Statutory Auditor)
for and on behalf of haysmacintyre
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date: 12 September 2017

Alexandra Palace Trading Limited

Profit and loss account Year ended 31 March 2017

	Notes	2017 £000	2016 £000
Turnover	3	11,524	12,708
Cost of sales		(9,500)	(9,768)
Gross profit		2,024	2,940
Administrative expenses		(1,089)	(1,345)
Operating profit	4	935	1,595
Interest receivable and similar income		6	5
Other finance costs		(61)	(45)
Profit on ordinary activities before taxation		880	1,555
Taxation	7	-	-
Profit on ordinary activities after taxation		880	1,555

All the above amounts relate to continuing activities.

The notes on pages 11 to 20 form an integral part of these financial statements.

Alexandra Palace Trading Limited

Balance sheet at 31 March 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Tangible assets	8	583	615
Current assets			
Stocks	9	131	100
Debtors	10	1,653	2,346
Cash at bank and in hand		2,944	2,222
		4,728	4,668
Creditors: amounts falling due within one year	11	(4,507)	(4,391)
Net current liabilities		221	277
Total assets less current liabilities		804	892
Creditors: amounts falling due after more than one year	12	-	-
Net liabilities excluding pension scheme liability		804	892
Pension scheme liability	15	(192)	(321)
Net assets		612	571
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		612	571
Shareholder's funds		612	571

The financial statements of Alexandra Palace Trading Limited, company number 3819988 were approved by the Board of Directors on 1 September 2017 and were signed on its behalf by



CLlr Joanna Christophides
Chair



Louise Stewart
Director

The notes on pages 11 to 20 form an integral part of these financial statements.

Alexandra Palace Trading Limited

Statement of changes in equity Year ended 31 March 2017

	Notes	Pension reserve £000	Trading reserve £000	Total £000
At 31 March 2015		(503)	(206)	(709)
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)
At 31 March 2016		(321)	892	571
Profit for the year		-	880	880
Remeasurement of net defined benefit liability		129	(48)	81
Profit payable via gift aid to Alexandra Park & Palace Charitable Trust		-	(920)	(920)
At 31 March 2017		(192)	804	612

Alexandra Palace Trading Limited

Notes to the financial statements Year ended 31 March 2017

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.

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 2017

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 2017

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 £880,000 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

	2017 £000	2016 £000
Operating profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the company's annual accounts	15	19
Fees payable to the Company's auditor for other services:		
Tax compliance services	2	4
Operating lease rentals	5	5
– Land and buildings		
– Others	19	21
Depreciation of fixed assets	142	114
– Owned		

Alexandra Palace Trading Limited

Notes to the financial statements Year ended 31 March 2017

5. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	12	12

The directors' emoluments for 2016/17 relate to one paid non-executive director (2016: 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 (2016: four) and one employee of London Borough of Haringey (2016: one) have not received remuneration for their services. No Directors are members of the APTL pension scheme (2016: none).

6. Staff costs (including directors)

	2017 £000	2016 £000
Staff costs during the year:		
Wages and salaries	2,380	2,337
Social security costs	220	219
Pension cost - Defined benefit	17	18
Pension cost - Defined contribution	78	65
	<u>2,695</u>	<u>2,639</u>

Average number of persons employed during the year:

	2017 Number	2016 Number
Revenue generating activities	93	95
Management, administration and personnel	12	10
	<u>105</u>	<u>105</u>

7. Taxation

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

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

Alexandra Palace Trading Limited

Notes to the financial statements Year ended 31 March 2017

7. Taxation (continued)

A deferred tax asset of £51,056 (2016: £49,223) in relation to short term timing differences has been recognised and set off against a deferred tax liability of 51,056 (2016: £49,222) in relation to fixed asset timing differences. A further deferred tax asset of £2,407 (2016: £11,235) has not been recognised in respect of timing differences. This asset will crystallise if the company makes sufficient profits in future against which the reversal of these timing differences can be recovered.

8. Tangible fixed assets

	Plant and machinery £000	Office equipment, fixtures and fittings £000	Motor vehicles £000	Total £000
Cost				
At 1 April 2016	357	532	11	900
Additions	43	66	-	109
Disposals	-	-	-	-
At 31 March 2017	400	598	11	1009
Depreciation				
At 1 April 2016	23	256	6	285
Charge for the year	23	116	2	141
Disposals	-	-	-	-
At 31 March 2017	46	372	8	426
Net book value				
At 31 March 2017	354	226	3	583
At 31 March 2016	334	276	5	615

Alexandra Palace Trading Limited

Notes to the financial statements Year ended 31 March 2017

9. Stocks

	2017 £000	2016 £000
Stocks comprise:		
Food and beverages	106	82
Disposables	25	18
	<u>131</u>	<u>100</u>

10. Debtors

	2017 £000	2016 £000
Trade debtors	842	1,516
Amount due from parent charity	686	756
Other debtors	-	-
Prepayments and accrued income	125	74
	<u>1,653</u>	<u>2,346</u>

11. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	555	1,425
Amount due to parent charity	132	237
Amount due under gift aid to parent charity	920	1,300
Other taxes and social security costs	185	47
Other creditors	1,756	167
Accruals	174	383
Deferred income	785	832
	<u>4,507</u>	<u>4,391</u>

Alexandra Palace Trading Limited

Notes to the financial statements Year ended 31 March 2017

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

	2017 £000	2016 £000
Deferred income	-	-
	-	-
	<u>-</u>	<u>-</u>

13. Called up share capital

	2017 £	2016 £
Called up and fully paid		
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:

	2017		2016	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- within one year	1	31	1	21
- between one and five years	-	55	-	13
	<u>1</u>	<u>86</u>	<u>1</u>	<u>34</u>

Alexandra Palace Trading Limited

Notes to the financial statements

Year ended 31 March 2017

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 2 (2016: 3) scheme members still in the employment of the trading company as at 31 March 2017. The assets of the Scheme are in a fund independent from the trading company and are administered by Haringey Council under the provisions of the Local Government Superannuation Act. The Scheme is accounted for in accordance with 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 2016. The valuation was carried out in accordance with the Guidelines GN9: Funding Defined Benefits – Presentation of Actuarial Advice published by the Board for Actuarial Standards. The valuation was carried out using the Projected Unit Method.

Economic and statistical assumptions were used. The principal actuarial assumptions used were:

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

Alexandra Palace Trading Limited employer's contribution is 27.2% of salary for 16/17. The total pension contribution for the year was £25,000 (2016: £24,000). In addition Alexandra Palace Trading Limited paid £48,000 (2016: £46,000) towards reducing the fund deficit and £38,500 (2016: £Nil) because of a retirement of a scheme member.

The actuarial valuation described above has been updated at 31 March 2017 by a qualified actuary using revised assumptions that are consistent with the requirements of 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	
	2017	2016
Pension increase rate	2.4	2.1
Rate of pensionable salary increases (excluding increments)	3.0	4.1
Discount rate	2.5	3.4

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

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

Alexandra Palace Trading Limited

Notes to the financial statements Year ended 31 March 2017

15. Pension scheme (continued)

Recognition in the profit and loss account

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

Reconciliation of defined benefit obligation

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

Reconciliation of fair value of scheme assets

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

Alexandra Palace Trading Limited

Notes to the financial statements Year ended 31 March 2017

15. Pension scheme (continued)

The scheme assets are invested as follows:

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

Analysis of amount recognised in statement of equity.

	2017 £000	2016 £000
Actuarial gain	<u>81</u>	<u>157</u>

(b) Auto-enrolment pension scheme

From June 2014 the company has operated an auto-enrolment pension scheme for all employees who qualify to join the scheme. The scheme is administered by Scottish Widows. The company encourages its employees to contribute more than a minimum required contribution by doubling 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 £78,000 (2016: £65,000).

16. Controlling party

The company's ultimate controlling party is Alexandra Park and Palace Charitable Trust (Charity number 281991). Copies of the group financial statements of Alexandra Park and Palace Charitable Trust are available from Alexandra Park and Palace Charitable Trust, Alexandra Palace Way, London N22 7AY.