

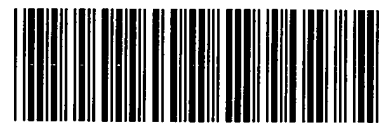
**Company Registration No. 3819988**

**Alexandra Palace Trading Limited**

**Report and Financial Statements**

**31 March 2015**

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COMPANIES HOUSE

# **Alexandra Palace Trading Limited**

## **Report and financial statements 2015**

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# **Alexandra Palace Trading Limited**

## **Report and financial statements 2015**

### **Officers and professional advisers**

#### **Directors**

J Christophides  
K Bartle  
P Berryman  
B Hare  
J Mann – Resigned 08.05.15  
R Wills  
D Wilson – Resigned 04.05.15  
A Stennett – Appointed 02.07.15

#### **Secretary**

N Watts –Resigned 28.10.14  
D Dominiczak – Appointed 15.4.15

#### **Registered Office**

Alexandra Palace  
Alexandra Palace Way  
Wood Green  
London  
N22 7AY

#### **Bankers**

Natwest Bank  
14 The Broadway  
Wood Green  
London  
N22 6BZ

Barclays Bank  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

#### **Solicitors**

Bates, Wells & Braithwaite  
Cheapside House  
London  
EC2V 6BB

#### **Independent Auditor**

Deloitte LLP  
Chartered Accountants & Statutory Auditor  
London

# Alexandra Palace Trading Limited

## Chair's introduction

As Chair of the Board of Alexandra Palace Trading Ltd (APTL) I am pleased to set out below the 2014/15 Strategic Report, Directors' Report and Financial Statements.

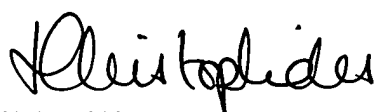
2014/15 proved a successful year for the trading company with a full events programme from concerts to exhibitions, ice discos to darts, food festivals to fireworks. The venue also reached some key milestones including hosting the longest succession of live music nights in APTL's history, which saw 55,000 people through the venue over seven days.

The trading company continues to grow its business portfolio and the strategic development of its own brand of events including the Alexandra Palace Fireworks Festival, which is fast establishing itself as an annual feature on London's events calendar and providing the bedrock for further events including the summer festival due to take place in July 2015.

Both the Bar & Kitchen and Ice Rink have delivered strong years with the former improving its offer both in terms of menu and interior to positive feedback from customers. The Ice Rink achieved budget and work has started preparing the staff and customers for changes required to accommodate the HLF/Regeneration's construction phase to the East Court, BBC Studios and Theatre all of which will be undertaken whilst the Ice Rink remains open.

Alexandra Park and Palace is a unique and exceptional London Landmark. The trading subsidiary continues to evolve its business to meet the present and future financial challenges, increasing the quality and range of our public offering as the People's Palace, and supporting the Charity with their objective to become ever more financially self-sufficient.

As the trading company grows the demands on the commitment of the staff increases and I have always been impressed with their hard work, dedication and passion. They work tirelessly throughout the year to deliver extraordinary experiences for our clients and customers. I would personally like to thank them for their hard work and congratulate them on a successful 2014/15.



J Christophides

Chair

# Alexandra Palace Trading Limited

## Strategic report

The directors, in preparing this strategic report, have complied with s414A of the Companies Act 2006.

### Strategic Report

Alexandra Palace is maintained and run for the benefit of the public by the Alexandra Park and Palace Charitable Trust ("The Trust"). With 148,000 square feet of usable space it hosts an events business, an ice rink and catering operations. These are operated on a fully commercial basis, under licence, by Alexandra Palace Trading Limited. All taxable profits are gifted by the company to the Trust, enabling it to continue to run and maintain the building for future generations. 2014/15 saw revenue increase by 11.4% from £8,330m to £9,283m the highest achieved by the trading company to date. The gross margin held at 19%, though profit dropped marginally this was due to pre-agreed strategic investment with projected return in 2015/16.

The trading company continues to grow its core events business with a significant increase in high footfall events which offer ancillary benefit to other activities on the site such as the pub. Live music attracted over 190,000 people into the palace with artists such as Alt-J, the 1975, the Libertines, Bonobo and Jack Bugg. The venue had its longest run of live music nights in its history, hosting 55,000 people over seven days. This success continued through the year with the World Darts Championship selling all 50,000 tickets in advance.

The significant shift in strategy for trading activities in 2014/15 was the expansion of events developed, delivered and promoted by Alexandra Palace Trading Ltd. Building on the success of the fireworks which were reintroduced in 2013 as a paid attendance event, the Events & Sales team expanded the portfolio with two craft beer festivals which were a financial success. 2015/16 will see further growth in this area with increased weekend beer festivals and two German Bier Festivals the first of which was held in April with the second linked to the Fireworks Festival in November.

Our modest capital investment in the Trading Company continues with the Italian Garden creating a new and enhanced atmosphere outside the pub and investment in the kitchens and catering equipment saw a return through improved margins and less need for the team to hire equipment in.

Marketing focused on driving footfall to the pub and the ice rink with the former achieving its best annual results to date and the latter delivering a 10% revenue increase.

We had a significant staff turnover in 2014/15 at all levels within the business. However the transition for all roles went well and the commitment and passion of the Alexandra Palace staff continues to be a key component of its success. The future will see a number of new roles come into Alexandra Park and Palace as part of the regeneration works and it will be vital for the organisation to ensure these roles dovetail with the existing business to build on the success to date.

Our balance sheet reflects the actuarial deficit on the Haringey pension fund in respect of a small number of staff members transferred under TUPE regulations from previous employment by Haringey some years ago.

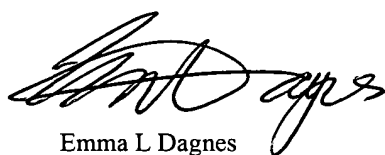
The Trading Company has achieved another record year and though we are confident in growth for 2015/16 we acknowledge that the impact of construction and organisational transformation may alter the structure of our growth in future years beyond 2015/16.

Principal risks facing the Company continue to include risk of losing key clients who have historically underpinned its financial performance and failure to attract new business. The Trading Company will continue to manage these risk by operating a proactive and innovative Sales and Marketing strategy and working closely with the Trust to identify challenges and mitigate risk as far as reasonably possible.

# Alexandra Palace Trading Limited

## Strategic report

Approved by the Board of Directors  
and signed on behalf of the Board on 15 July 2015

A handwritten signature in black ink, appearing to read 'Emma L Dagnes', written in a cursive style.

Emma L Dagnes  
Interim Chief Executive and Managing Director

# Alexandra Palace Trading Limited

## Directors' report

The directors submit their report together with the audited financial statements for the year ended 31 March 2015.

The principal activity of the company is to raise funds for its parent charity, Alexandra Park and Palace Charitable Trust ("the Trust"), through the hiring of halls and catering for exhibitions, banquets, conferences, weddings and other events and the running of the Bar & Kitchen public house and the ice rink.

### Achievements 2014/15

APTL made excellent progress against its aims for 2014/15, which were to:

- deliver trading targets;
- deliver a positive customer experience every time;
- invest in the people;
- invest in the opportunity.

Profits payable to the Trust via gift aid for 2014/15 were £940,000. Although this is lower than the Olympic year of 2012/13 due to the nature of the business mix, overall revenue has increased. This shows that the business is maintaining growth despite still operating in a challenging market. Capital investment in items with a quick return continues to underpin the growth strategy, including investment in a mobile coffee van, catering infrastructure which was previously hired in and investment into the Bar & Kitchen.

### 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.

Since the adoption of FRS 17 during the financial year ended 31 March 2008, adjustments relating to the company's defined benefit pension scheme have resulted in a net liability position in the company's accounts at the year end. Fees for hiring of halls have to be paid to us in advance of events taking place and most of our catering activities are operated on a cash basis. Receiving the majority of our income well in advance of having to pay our suppliers means we can operate safely with negative current assets. The largest creditor in our closing balance sheet is for the gift aid payable to the trust after year end.

Taking all of the above 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 a going concern basis.

### Directors

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

# Alexandra Palace Trading Limited

## Directors' report

### Directors' liability insurance

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

### Dividend and Gift Aid

No dividend is recommended by the directors (2014: £nil). The gift aid payable to the Trust was £940,000 (2014: £950,000)

### Provision of information to auditor

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

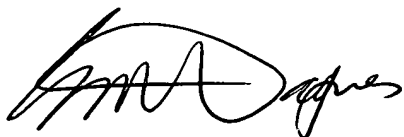
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

### Auditor

Deloitte LLP have declared their willingness to continue in office and appropriate arrangements are being made for them to be deemed reappointed as auditor.

On behalf of the Board



Emma Dagnes Interim Chief Executive

15 July 2015



# **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 Accounting Standards and applicable law). 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 judgments and accounting estimates that are reasonable and prudent; 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.

## **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 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

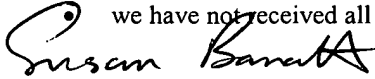
### **Opinion on other matter prescribed by the Companies Act 2006**

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

**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.



Susan Barratt BA, ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London

17 July 2015

# Alexandra Palace Trading Limited

## Profit and loss account Year ended 31 March 2015

	Notes	2015 £000	2014 £000
Turnover	2	9,283	8,330
Cost of sales		(7,499)	(6,741)
<b>Gross profit</b>		<u>1,784</u>	<u>1,589</u>
Administrative expenses		(819)	(594)
<b>Operating profit</b>	3	<u>965</u>	<u>995</u>
Interest receivable and similar income		5	7
Other finance costs		(3)	(11)
Profit payable via gift aid to Alexandra Park & Palace Charitable Trust		(940)	(950)
<b>Profit on ordinary activities before taxation</b>		<u>27</u>	<u>41</u>
Taxation	6	-	-
<b>Profit for the financial year</b>	13, 14	<u><u>27</u></u>	<u><u>41</u></u>

All the above amounts relate to continuing activities.

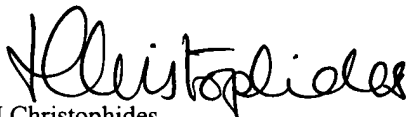
The notes on pages 13 to 22 form an integral part of these financial statements.


# Alexandra Palace Trading Limited

## Balance sheet at 31 March 2015

	Notes	2015 £000	2014 £000
<b>Fixed assets</b>			
Tangible assets	7	369	274
<b>Current assets</b>			
Stocks	8	106	108
Debtors	9	1,392	1,119
Cash at bank and in hand		2,039	1,813
		3,537	3,040
<b>Creditors: amounts falling due within one year</b>	10	(4,091)	(3,465)
<b>Net current liabilities</b>		(554)	(425)
<b>Total assets less current liabilities</b>		(185)	(151)
<b>Creditors: amounts falling due after more than one year</b>	11	(21)	(18)
<b>Net liabilities excluding pension scheme liability</b>		(206)	(169)
<b>Pension scheme liability</b>	16	(503)	(584)
<b>Net liabilities including pension scheme liability</b>		(709)	(753)
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	(709)	(753)
<b>Shareholder's deficit</b>	14	(709)	(753)

The financial statements of Alexandra Palace Trading Limited, company number 3819988 were approved by the Board of Directors on 15 July 2015 and were signed on its behalf by

  
J Christophides  
Director

  
B Hare  
Director

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

## Alexandra Palace Trading Limited

### Statement of total recognised gains and losses Year ended 31 March 2015

	Notes	2015 £000	2014 £000
Profit for the year		27	41
Actuarial gain/(loss) on pension scheme	13, 16	<u>17</u>	<u>(132)</u>
Total gains/(losses) recognised in the year		<u><u>44</u></u>	<u><u>(91)</u></u>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2015

### 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. The financial statements have been prepared in accordance with United Kingdom accounting standards using the historical cost basis of accounting, with the exception of pension balances held at fair value.

#### Going concern

The directors' considerations regarding the going concern assumption are included in the Directors' Report on page five. 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: 10% per annum on a straight-line basis.
- Office equipment, furniture and fittings: 20% per annum on a straight-line basis.
- Motor Vehicles: 20% per annum on a straight-line balance basis.

#### Stocks

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

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2015

### 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 FRS17 'Retirement 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 and the expected return on assets are 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 total recognised gains and losses.

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

The company has taken advantage of the exemption available in FRS1 (revised) to wholly owned subsidiaries where consolidated financial statements are prepared from the requirement to present a cash flow statement.

#### Related party transactions

Alexandra Palace Trading Limited is a wholly-owned subsidiary of Alexandra Park and Palace Charitable Trust and as such, has taken advantage of the exemption conferred by FRS 8 not to disclose related party transactions between the Company and the Trust.



## Notes to the financial statements

### Year ended 31 March 2015

## Taxation

Current year's profits of £940,000 will be distributable via gift aid to the Alexandra Park and Palace once and only when there are sufficient profits in the Trading Company to make such distribution. As forecasts show that this will be within 9 months of the year end we have concluded that there is no need to recognise a tax liability.

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.

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

	2015 £000	2014 £000
Operating profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the company's annual accounts	18	17
Fees payable to the Company's auditor for other services:		
Tax compliance services	4	4
Operating lease rentals – Land and buildings	5	5
– Computers and equipment	36	21
Depreciation of fixed assets – owned	93	57

	2015 £000	2014 £000
Directors' emoluments	12	24

15

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2015

the parent charity (2014: four) and one employee of London Borough of Haringey (2014: one) have not received remuneration for their services. No Directors are members of the APTL pension scheme (2014: none).

### 5. Staff costs (including directors)

	2015 £000	2014 £000
Staff costs during the year:		
Wages and salaries	2,072	1,983
Social security costs	171	163
Pension cost	96	73
	<u>2,339</u>	<u>2,219</u>

Average number of persons employed during the year:

	2015 Number	2014 Number
Revenue generating activities	72	72
Management, administration and personnel	8	8
	<u>80</u>	<u>80</u>

### 6. Taxation

The company has no tax charge for the year (2014: £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:

	2015 £000	2014 £000
Profit on ordinary activities before taxation	<u>27</u>	<u>41</u>
Tax on profit on ordinary activities at 23% (2014: 23%)	6	9
Expenses not deductible for tax purposes	1	2
Capital allowances greater than depreciation	7	(4)
Other short term timing differences	(17)	(7)
Items charged elsewhere (eg.extraordinary , reserves)	3	-
Tax charge	<u>-</u>	<u>-</u>

A deferred tax asset of £95,949 (2014: £111,517 at 23%) has not been recognised in respect of timing differences relating to pension contributions and fixed asset 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.

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2015

### 7. Tangible fixed assets

	Plant and machinery £000	Office equipment, fixtures and fittings £000	Motor Vehicles £000	Total £000
<b>Cost</b>				
At 1 April 2014	55	334	11	400
Additions	11	177	-	188
At 31 March 2015	66	511	11	588
<b>Depreciation</b>				
At 1 April 2014	4	120	2	126
Charge for the year	6	85	2	93
At 31 March 2015	10	205	4	219
<b>Net book value</b>				
At 31 March 2015	56	306	7	369
At 31 March 2014	51	214	9	274

### 8. Stocks

	2015 £000	2014 £000
Stocks comprise:		
Food and beverages	83	88
Disposables	23	18
Other	-	2
	106	108

There is no material difference between the balance sheet value of stocks and their replacement cost.

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2015

### 9. Debtors

	2015 £000	2014 £000
Trade debtors	1,262	967
Other debtors	2	1
Prepayments and accrued income	128	151
	<u>1,392</u>	<u>1,119</u>

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

	2015 £000	2014 £000
Overdrafts	-	221
Trade creditors	717	539
Amount due to parent charity	67	402
Amount due under gift aid to parent charity	940	950
Other taxes and social security costs	258	179
Other creditors	775	57
Accruals	311	313
Deferred income	1,023	804
	<u>4,091</u>	<u>3,465</u>

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

	2015 £000	2014 £000
Deferred income	21	18
	<u>21</u>	<u>18</u>

### 12. Called up share capital

	2015 £	2014 £
<b>Called up and fully paid</b>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2015

### 13. Profit and loss account

	<b>Pension reserve £000</b>	<b>Trading reserve £000</b>	<b>Total £000</b>
Opening balance	(584)	(169)	(753)
Profit for the financial year	-	27	27
Employer contributions in excess of pension charge	64	(64)	-
Actuarial gain on pension fund	17	-	17
Closing balance	<u>(503)</u>	<u>(206)</u>	<u>(709)</u>

### 14. Reconciliation of movement in shareholder's deficit

	<b>2015 £000</b>	<b>2014 £000</b>
Opening balance	(753)	(662)
Profit for the financial year	27	41
Actuarial gain/(loss) on pension fund	17	(132)
Closing balance	<u>(709)</u>	<u>(753)</u>

### 15. Commitments under operating leases

	<b>2015 £000</b>	<b>2014 £000</b>
Payments due within one year on leases expiring:		
<b>Land and buildings</b>		
Within one year	6	6
<b>Equipment</b>		
Within one year	5	3
Within two to five years	20	13
	<u>31</u>	<u>22</u>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2015

### 16. Pension scheme

#### (a) Defined benefit scheme

The trading company operates a defined benefit pension scheme for the benefit of scheme members who transferred to the trading company, from Alexandra Park and Palace Charitable Trust, on 1 November 1999. There are 3 (2014: 3) scheme members still in the employment of the trading company as at 31 March 2015. The assets of the Scheme are in a fund independent from the trading company and are administered by

Haringey Council under the provisions of the Local Government Superannuation Act. The Scheme is accounted for in accordance with FRS 17.

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 2015. The valuation was carried out in accordance with the Guidelines GN9: Funding Defined Benefits – Presentation of Actuarial Advice published by the Board for Actuarial Standards. The valuation was carried out using the Projected Unit Method.

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

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

Alexandra Palace Trading Limited employer's contribution is 23% of salary. The total pension contribution for the year was £24,000 (2014: £22,000). In addition Alexandra Palace Trading Limited paid £44,000 (2014: £43,000) towards reducing the fund deficit.

The actuarial valuation described above has been updated at 31 March 2015 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 using the current bid price.

The major assumptions used for the actuarial valuation were:

	Nominal % per annum compound	
	2015	2014
Pension increase rate	2.1	2.6
Rate of pensionable salary increases (excluding increments)	4.0	4.4
Discount rate	3.1	4.1
Expected rate of return on assets	3.1	6.0

The expected rate of return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

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

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

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2015

### 16. Pension scheme (continued)

#### Recognition in the profit and loss account

	2015 £'000	2014 £'000
Current service cost	25	22
Interest cost	117	124
Expected return on employer assets	(139)	(117)
	<u>3</u>	<u>29</u>

The actual rate of return on plan assets was £393,000 (2014: £113,000).

#### Reconciliation of defined benefit obligation

	2015 £'000	2014 £'000
Opening defined benefit obligation	2,901	2,788
Current service cost	26	22
Interest cost	117	124
Contributions by members	6	5
Actuarial losses	237	62
Benefits paid	(103)	(100)
Closing defined benefit obligation	<u>3,184</u>	<u>2,901</u>

#### Reconciliation of fair value of scheme assets

	2015 £'000	2014 £'000
Opening fair value of employer assets	2,317	2,303
Expected return on assets	139	117
Contributions by members	6	5
Contributions by the employer	68	62
Actuarial gains/(losses)	254	(70)
Benefits paid	(103)	(100)
Closing fair value of employer assets	<u>2,681</u>	<u>2,317</u>

# Alexandra Palace Trading Limited

## Notes to the financial statements Year ended 31 March 2015

### 16. Pension scheme (continued)

Amounts for the current and four previous accounting periods are as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Fair value of employer assets	2,681	2,317	2,303	2,011	1,925
Present value of defined benefit obligation	(3,184)	(2,901)	(2,788)	(2,477)	(2,274)
<b>Deficit</b>	<b>(503)</b>	<b>(584)</b>	<b>(485)</b>	<b>(466)</b>	<b>(349)</b>
Experience gains/(losses) on assets	254	(70)	200	(62)	56
Experience gains/(losses) on liabilities	32	15	4	(34)	(25)

None of the above liabilities derives from schemes that are wholly unfunded.

The scheme assets are invested as follows:

	2015 £'000	2014 £'000
Equities	1,877	1,808
Bonds	536	324
Property	241	162
Cash	27	23
<b>Total</b>	<b>2,681</b>	<b>2,317</b>

Analysis of amount recognised in statement of total recognised gains and losses (STRGL):

	2015 £'000	2014 £'000
Actuarial loss recognised in STRGL	17	(132)

The cumulative amount of actuarial losses recognised in the STRGL is £475,000 (2014: £492,000). Contributions of £69,000 are expected to be paid into the scheme during the year to 31 March 2016.

#### (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 £72,000 (2014: £40,000). There were no unpaid pension contributions as 31 March 2015 (2014: £nil).

### 17. Controlling party

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