

Company Registration No. 3819988

Alexandra Palace Trading Limited

Report and Financial Statements

31 March 2020

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Officers and Professional Advisers

Directors

Cllr N da Costa (Chair) (*appointed 16 July 2019*)
Mr A Morton (Vice Chair) (*appointed 16 July 2019*)
Cllr D Carlin
Mrs L Stewart
Mrs E Dagnes
Mr J Copas (*appointed 16 July 2019*)
Cllr E Culverwell (*appointed 16 July 2019*)
Cllr M Hakata (*appointed 1 October 2020*)

Outgoing Directors: Rick Wills (16 July 2019), Anne Stennett (1 October 2020)

Secretary

Mrs D Dominiczak

Registered Office

Alexandra Palace
Alexandra Palace Way
Wood Green
London
N22 7AY

Bankers

Barclays Bank
1 Churchill Place
Canary Wharf
London
E14 5HP

Solicitors

Russell-Cooke
2 Putney Hill
London
SW15 6AB

Independent Auditor

Haysmacintyre LLP
Chartered Accountants and Statutory Auditor
10 Queen St Place
London
EC4R 1AG

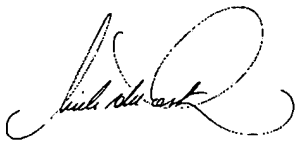
Chair's Report

As Chair of the Alexandra Palace Trading Limited (APTL) Board of Directors I am delighted to set out below the Directors' Report and Financial Statements for the Financial Year 2019/20.

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.

A handwritten signature in black ink, appearing to read 'Nick da Costa', with a large, stylized flourish at the end.

Nick da Costa
Director and Chair of APTL Board

Strategic Report

In preparing this report, the Directors have complied with section 414A of the Companies Act 2006.

Trading Activity

2019/20 was an exciting year for APTL delivering £16.5m in turnover from 225 events, theatre experiences, hospitality and leisure activities. Despite the downturn in the final month of the financial year, due to COVID-19, the Company achieved £1,711,000 operating profit.

Highlights

Our Great Hall hosted 32 nights of live music with over 300,000 fans enjoying high profile bands such as *Supergrass*, *Idles* and *Pixies*. Gigs also evolved their use of technology this year with Four Tet performing in the round with hundreds of thousands of LED lights co-ordinated with the set, immersing the audience in an audiovisual extravaganza. *Bombay Bicycle* achieved our first 100% digital ticketed gig and was filmed by our virtual reality partner, Melody VR, as was *A night with Frank Carter*, providing a new revenue stream and building our online content. *AJ Tracy* performed in the round, live-streamed on YouTube with special guest performances from *Skeptak* and *Stormzy*.

Exhibitions continued to strengthen our overall event portfolio with *Mind, Body and Soul* seeing footfall increase and *Knit & Stitch* and *The Tattoo Show* also returning strong attendance numbers.

2019 saw the biannual return of the popular *Redbull Soap Box Rally*, which attracted 20,000 spectators into the Park to watch the ever-increasingly ambitious soapboxes hurtle down Alexandra Palace Way.

APTL's in-house events attracted 100,000 visitors to events such as Norman Jay presents Good Times, Firework Festival, StrEatlife and The Great Fete.

The Theatre, in its first full year, achieved an incredible season hosting *Liam Gallagher's film launch 'As It Was'*, live streaming to 36 cinemas worldwide. *FK Twigs* brought her sublime show to a sell-out standing audience. *Robbie Williams' Christmas Special*, produced by ITV, drew a TV audience of over a million and a twist on Pantomime favourite *Peter Pan* by the theatre company 'A Play That Goes Wrong', presented 26 shows, attracting an audience of over 20,000.

The Theatre also provided the backdrop for *Madonna in conversation with Graham Norton*, *Caitlin Moran* talking about all things life, numerous book launches and *London Fashion Week's Simone Rocha Catwalk Show*, which attracted international PR. High profile comedians have also taken to testing their material in the Theatre before their national tours, giving their fans an intimate experience not achievable in the large arenas. Acts included *Michael McIntyre*, *Alan Carr*, *Jimmy Carr*, *Rob Brydon* and *Romesh Ranganathan*.

2019 also saw the main basement open for its first theatre-run of an immersive experience of *Midsummer Night's Dream* presented by *RIFT Theatre*, who are based locally in Tottenham.

Sporting favourites returned including *William Hill PDC World Darts Championships*, *World Snooker Dafabet Masters*, *World Ping Pong Championships* and *Progress-Wrestling* attracting more than 80,000 sports fans to the Palace.

Alexandra Palace also provided the backdrop for a number of feature films including *Spiderman* and *Current Wars*, which were both released in the same week ensuring that Alexandra Palace dominated the big screens that week.

The Ice Rink achieved one of its best trading years ever, through a dynamic approach to managing ice time by increasing the number of public sessions and extending opening times across the Christmas holidays. The Alexandra Palace Haringey Huskies Ice Hockey team attracted record crowds and were rewarded by being crowned champions of their league. The Ice Rink also provided the romantic back drop for *Emma Thompson's 'The Last Christmas'*, providing excellent PR during Christmas 2019.

The new website launch achieved increased traffic and positive feedback from our customers and clients, with 2.4 million unique users having visited the site.

We also achieved 73 million social media impressions, an increase on 18/19 of 31% and maintained a high profile through multiple media channels.

Our plan for 20/21 was to focus on taking advantage of our increased profile and reputation following the successful launch of the East Wing and Theatre, which secured our position on the Cultural Landscape. The event diary was in a strong position to deliver an exceptional year in 2020/21 but COVID-19 has created uncertainty for Alexandra Palace.

The government restrictions, to manage the pandemic and protect public health, forced the Trading Company to refocus and alter its operations. After the initial closure in the spring, the Palace reopened in the summer to welcome our customers and visitors to enjoy the outdoor activities permitted by the government regulations. The entertainment programme continues to evolve and adapt as the pandemic restrictions change but current trading has been significantly reduced as a result and this will affect the financial stability of the Company for a number of years.

The talented team at Alexandra Palace will continue to operate in a COVID-19 secure environment until normal operations resume and we are confident that we will be able to soon continue to entertain London as we have done since 1873.

Approved by the Board of Directors on 14 December 2020 and signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'L A Stewart', with a horizontal line underneath.

Louise Stewart
Director
On 14 December 2020

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 31 March 2020.

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, and other events, the running of the 'Bar and Kitchen' public house and the Ice Rink, and operating a newly refurbished Victorian Theatre.

Going concern

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

The financial statements are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The ultimate impact of the COVID-19 pandemic is still unclear, but Directors are maintaining regular oversight of the projected financial impact through scenario planning for different possible outcomes and regularly reviewing expenditure plans.

Having reviewed the funding facilities available to the Company together with the expected future cash flows, the Directors have a reasonable expectation that the Company has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Company's financial viability.

Accordingly, the Directors also continue to adopt the going concern basis in preparing the financial statements.

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

In accordance with new guidance notes issued to accompany amendments to FRS102 issued in December 2017, as the Trading Company did not have a legal obligation to pay the Charity its profits under gift aid at 31 March 2020, this distribution has not been recognised as a liability. The Company intends to distribute £614,000 of its taxable profits of £1,711,000 to its parent charity within nine months of the financial year end (2019: £2,078,000).

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.

Post Balance Sheet Event: The COVID-19 crisis at pandemic level required the cancellation of the majority of our 2020/21 events with trading income significantly reduced, and expected to impact on the results for the year ending 31 March 2021. Despite the lockdowns and restrictions, the Trading Company has continued to trade compliantly and minimise the financial losses by generating some, although limited, income and making use of the Government's Job Retention Scheme. The working capital has been closely monitored and the Trading Company has agreed an overdraft facility with its bankers to ensure a comfortable level of working capital while trading recovers from the impact of the pandemic. Another significant source of funding for the trading operations has come from the Culture Recovery Fund grant, which will assist in stabilising finances during the pandemic and ensure a smooth recovery towards improved financial stability in 2021/22. If adverse business planning scenarios were to occur, the Company will be dependent on these sources of income.

Signed on behalf of the Board by Louise Stewart, Director, on 14 December 2020:



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 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 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.

Auditors report

We have audited the financial statements of Alexandra Palace Trading Limited (the 'Company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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.

Richard Weaver (Senior Statutory Auditor)



Richard Weaver
for and on behalf of Haysmacintyre LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date: 14 December 2020
Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Profit and Loss Account
Year Ended 31 March 2020

	Notes	2020 £000	2019 £000
Turnover	3	16,445	16,555
Cost of sales		(13,467)	(13,312)
Gross profit		2,978	3,243
Administrative expenses		(1,260)	(1,146)
Operating profit	4	1,718	2,097
Interest receivable and similar income		10	10
Other finance costs		(17)	(29)
Profit on ordinary activities before taxation		1,711	2,078
Taxation	7	(180)	-
Profit on ordinary activities after taxation		1,531	2,078

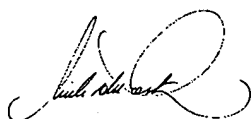
All the above amounts relate to continuing activities.

The notes on pages 12 to 21 form an integral part of these financial statements.

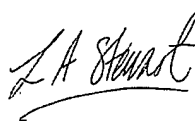
Balance Sheet at 31 March 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Tangible assets	8	616	541
Current assets			
Stocks	9	33	159
Debtors	10	1,875	1,616
Cash at bank and in hand		4,197	3,714
Total Current Assets		6,105	5,489
Creditors: amounts falling due within one year	11	(4,359)	(3,702)
Net current liabilities		1,746	1,787
Total assets less current liabilities		2,362	2,328
Pension scheme liability	14	-	(30)
Net assets		2,362	2,298
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		2,362	2,298
Shareholder's funds		2,362	2,298

The Financial Statements of Alexandra Palace Trading Limited, company number 03819988, were approved by the Board of Directors on 14 December 2020 and were signed on its behalf by:



Nick da Costa
Chair



Louise Stewart
Director

The notes on pages 12 to 21 form an integral part of these financial statements.

Statement of Changes in Equity Year Ended 31 March 2020

	Notes	Pension reserve £000	Trading reserve £000	Total £000
At 31 March 2019		(30)	2,328	2,298
Profit for the year after taxation		-	1,531	1,531
Remeasurement of net defined benefit liability/surplus		167	(133)	34
Irrecoverable defined benefit surplus not recognised under scheme rules		(137)	-	(137)
Profit paid via gift aid to Alexandra Park & Palace Charitable Trust		-	(1,364)	(1,364)
At 31 March 2020		-	2,362	2,362

Previous Year

	Notes	Pension reserve £000	Trading reserve £000	Total £000
At 31 March 2018		(45)	2,491	2,446
Profit for the year after taxation		-	2,078	2,078
Remeasurement of net defined benefit liability		15	(98)	(83)
Profit paid via gift aid to Alexandra Park & Palace Charitable Trust		-	(2,143)	(2,143)
At 31 March 2019		(30)	2,328	2,298

Notes to the Financial Statements Year Ended 31 March 2020

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 5. 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 (Theatre, West Hall and Great Hall) and catering for exhibitions, banquets, conferences, concerts 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.

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 liability as appropriate. Any surplus is not recognised under the scheme rules.

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.

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.

Profits of £614,000 will be distributed via gift aid to the Alexandra Park and Palace and an amount of £180,000 Corporation Tax is estimated on the remaining profits.

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.

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 14.

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

	2020 £000	2019 £000
Operating profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the company's annual accounts	16	16
Fees payable to the Company's auditor for other services:		
Tax compliance services	2	2
Operating lease rentals	6	6
	Others	30
Depreciation of fixed assets	101	106
	Owned	

5. Directors' remuneration

	2020	2019
	£000	£000
Directors' emoluments	134	94

The Directors' emoluments for 2019/20 relate to:

- Three paid non-executive directors (2019: one)
- One Executive Director received emoluments paid by Alexandra Park and Palace Charitable Trust for services as Trust CEO and for oversight of the Trading Company.
- One Trading Company Executive Director (2019: one)

The other Directors, comprising four Trustees of the parent charity (2019: four) have not received remuneration for their services.

One Director, the Trading Company Executive Director, is a member of the APTL pension scheme (2019: one).

6. Staff costs (including directors)

	2020	2019
	£000	£000
Staff costs during the year:		
Wages and salaries	3,343	2,934
Apprentice Levy (tax)	2	-
Social security costs	289	190
Pension cost - Defined benefit	7	5
Pension cost - Defined contribution	182	130
	<u>3,823</u>	<u>3,259</u>

Average number of persons employed during the year:

	2020	2019
	Number	Number
Revenue generating activities	150	110
Management, administration and personnel	14	13
	<u>164</u>	<u>123</u>

7. Tax on profit on ordinary activities of Trading Subsidiary

The Trading Subsidiary has an estimated corporation tax charge for the year of £180,000 (2019: £nil). The tax related amounts are explained below.

	2020 £000	2019 £000
Profit on ordinary activities before taxation	1,711	2,078
Tax on profit on ordinary activities at 19% (2019: 19%)	325	395
Expenses not deductible for tax purposes	3	2
Amounts (charged/credited) directly to STRGL or otherwise transferred	6	(16)
Adjustments to deferred tax	6	(3)
Deferred tax not recognised	(44)	(21)
Charitable donations	(116)	(357)
Tax charge	180	-

A deferred tax asset of £Nil (2019: £5,115) in relation to short term timing differences has been recognised and set off against a deferred tax liability of £Nil (2019: £5,115) in relation to fixed asset timing differences. A further deferred tax liability of £99,212 (2019: liability £54,658) has not been recognised in respect of fixed asset timing differences.

8. Tangible fixed assets

	Plant and machinery £000	Office equipment, fixtures and fittings £000	Total £000
Cost			
At 1 April 2019	526	265	791
Additions	-	176	176
Disposals	-	-	-
At 31 March 2020	526	441	967
Depreciation			
At 1 April 2019	100	150	250
Charge for the year	37	64	101
Disposals	-	-	-
At 31 March 2020	137	214	351
Net book value	389	227	616
At 31 March 2020	426	115	541

9. Stocks

	2020	2019
	£000	£000
Stocks comprise:		
Food and beverages	-	121
Disposables	29	34
Gift items for Sale	4	4
	<u>33</u>	<u>154</u>

10. Debtors

10a. Amounts falling due within one year

	2020	2019
	£000	£000
Trade debtors	871	797
Amount due from parent charity	290	92
Other debtors	2	1
Prepayments and work in progress	98	112
	<u>1,261</u>	<u>1,002</u>

10b. Amounts falling due after more than one year

	2020	2019
	£000	£000
Amounts due from parent charity	614	614
	<u>614</u>	<u>614</u>

Total Debtors: **1,875** **1,616**

11. Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	1,192	776
Amount due to parent charity	363	119
Corporation Tax payable	180	-
Other taxes and social security costs	219	197
Other creditors	1,738	1,722
Accruals	288	478
Deferred income	379	410
	<u>4,359</u>	<u>3,702</u>

12. Called up share capital

	2020 £	2019 £
Called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

13. Financial Commitments

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

	2020		2019	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- within one year	1	4	1	30
- between one and five years	<u>-</u>	<u>3</u>	<u>-</u>	<u>8</u>
	<u>1</u>	<u>7</u>	<u>1</u>	<u>38</u>

14. 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 is one (2019: two) scheme member still in the employment of the Trading Company as at 31 March 2020. 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 2019. 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)	3.3 % per annum compound
Rate of price inflation/pensions increases	2.3 % per annum compound
Discount rate	1.5 % per annum compound

Alexandra Palace Trading Limited employer's contribution is 35% of salary for 19/20 (2019: 35%). The total pension contribution for the year was £14,000 (2019: £24,000). In addition, Alexandra Palace Trading Limited paid £136,000 (2019: £103,000) towards reducing the fund deficit.

The actuarial valuation described above has been updated at 31 March 2020 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	
	2020	2019
Pension increase rate	2.0	2.5
Rate of pensionable salary increases (excluding increments)	3.0	3.1
Discount rate	2.3	2.4

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

	Males	Females
Current pensioners	21.5 years	23.7 years
Future pensioners	22.7 years	25.3 years

14. continued Pension scheme

Recognition in the profit and loss account

	2020	2019
	£000	£000
Current service cost	18	29
Interest cost	90	93
Interest income on plan assets	(91)	(93)
	<u>17</u>	<u>29</u>

Reconciliation of defined benefit obligation

	2020	2019
	£'000	£'000
Opening defined benefit obligation	3,813	3,608
Current & past service cost	18	29
Interest cost	90	93
Contributions by members	3	5
Actuarial (gains)/losses	(280)	174
Benefits paid	(151)	(96)
Closing defined benefit obligation	<u>3,493</u>	<u>3,813</u>

Reconciliation of fair value of scheme assets

	2020	2019
	£000	£000
Opening fair value of employer assets	3,783	3,563
Interest income on plan assets	91	93
Contributions by members	3	5
Contributions by the employer	150	127
Actuarial (losses)/gains	(246)	91
Benefits paid	(151)	(96)
Closing fair value of employer assets	<u>3,630</u>	<u>3,783</u>

14. *continued* Pension scheme

The scheme assets are invested as follows:

	2020 £000	2019 £000
Equities	1,997	2,459
Bonds	1,089	1,021
Property	508	265
Cash	36	38
Total	<u>3,630</u>	<u>3,783</u>

Analysis of amount recognised in statement of equity.

	2020 £000	2019 £000
Actuarial gain/(loss)	34	(83)
Irrecoverable defined benefit surplus not recognised	<u>(137)</u>	<u>-</u>
Actuarial (loss)	<u>(103)</u>	<u>(83)</u>

(b) Auto-enrolment pension scheme

From June 2014 the company has operated an auto-enrolment pension scheme for all employees who joined after September 1999 and qualify to join the scheme. The scheme is operated at a minimum level of required contribution for all joiners after October 2018 and is administered by Scottish Widows. For the joiners prior to October 2018 the scheme operated at a higher level of contributions capped at 10%. The employer's contribution for the year was £182,000 (2019: £130,000).

15. Controlling party

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

16. Post Balance Sheet Event

Since the year-end, the serious outbreak of COVID-19 at pandemic level has created global economic shock, demonstrating the inherent volatility to trading income, and is expected to have an impact on the results for the year ending 31 March 2021.

Significant emergency funding has been secured for the Group from various sources to ensure its survival and recovery post Covid pandemic. The Culture Recovery Fund grant has been provided to assist in stabilising finances during the pandemic and to ensure the Group is able to achieve a smooth recovery leading to a financially stable position in 2021/22. The Trading Company has agreed an overdraft facility to ensure a comfortable level of working capital while trading recovers from the impact of pandemic.

The Directors continue to monitor the changing landscape and its impact on the Company.

The Directors have considered the cash-flow needs and financial projections of the Company in light of the above and are content that the Company has sufficient available finance for the foreseeable future in order for it to meet its liabilities.