

Company Registration No. 3819988

Alexandra Palace Trading Limited

Report and Financial Statements

31 March 2021

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Officers and Professional Advisers

Directors

Cllr N da Costa (Chair)
Mr A Morton (Vice Chair)
Cllr D Carlin
Mrs L Stewart
Mrs E Dagnes
Mr J Copas
Cllr Kirsten Hearn
Cllr Anne Stennett

Outgoing Directors: Cllr E Culverwell & Cllr M Hakata (ceased 27 May 2021)

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

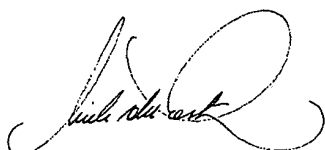
As Chair of the Alexandra Palace Trading Limited (APTL) Board of Directors I am delighted to set out below the Directors' Report and Financial Statements for the Financial Year 2020/21.

Until March 2020 the Palace, which has been a place of entertainment, recreation and education for more than 140 years, continued 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 hosted 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.

Although resources have had to be carefully controlled, swift adaptation and dynamic business modelling has enabled Alexandra Palace to remain a high-profile venue throughout the year. With large spaces available, the Trading Company has been able to minimise the financial losses through the pandemic and generate some income. Staff have continued to demonstrate commitment to our values, working passionately to deliver extraordinary experiences for clients and customers, whilst building resilience for a stronger reopening as restrictions on entertainment and music events are lifted.

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

This year, government restrictions, to manage the Coronavirus pandemic (Covid-19) and protect public health, forced the Trading Company to refocus and alter its operations. After the initial closure to the general public 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.

In contrast to last year in which 225 cultural events were hosted at Alexandra Palace, the Trading Company experienced the cancellation or postponement of 25 exhibitions, 35 live music, 40 theatre events in 2020/21. A dynamic business model was adopted for using our large spaces creatively to secure some income, within the Covid-19 guidance and regulations during this challenging year and we hosted 45 events in total including: 125 days booked in the Theatre, 130 days of filming and rehearsals, 8 weeks of The Terrace operation, 68 days of Drive In cinema and 22 days of darts (behind closed doors).

Despite not being open to members of the public, AP never fully closed. A skeleton team remained on site, prior to the commencement of charitable and Local Authority operated initiatives supporting the local community, ahead of a return to trading activities.

The extent of Trust and Trading activities covered 8 of the 14 industry sectors for which Covid-19 Secure guidance was produced. Most large corporate bodies operate in two of these sectors. Further to the exit from Lockdown 1, the reopening of hospitality, subsequent Levels, Tiers and Steps have all led to revised guidance across these sectors, which has required constant monitoring and reviewing of permissible activity and industry best practice. Activities at Alexandra Palace only take place where it is safe, secure and responsible to do so, hence the year has been one of continual change and modifications to operational practices to enable all the trading and charitable activity that we have undertaken. The customer journey in the Ice Rink is now very different with a new one-way system and only contactless transactions. Music events have been modified for safety including lower sound levels to minimise people having to project their voices to communicate.

Our staff continue to sit on industry network groups and provide support in lobbying the Government to protect the future of arts and cultural venues.

We have continued deliver virtual events and contactless food and beverage services while expanding our profile as a filming venue adapting to new technologies and achieved the Attitude is Everything (AIE) Silver status award as a result of the work undertaken and commitment to best practice for accessibility.

Our own brand events: **Live at Ally Pally**, recognised as one of the few indoor events in London during the year with performances from some of the country's best comedians, and **The Terrace**, our very own Covid-19 secure beer garden bringing more than 19,000 customers including for **Comedy on The Terrace**.

English National Opera's Drive & Live: Europe's first events drive in opera produced by the English National Opera was attended by 2,000 and was covered across international, national, regional and industry media.

Drive in Cinema: Over the Summer the Drive In Film Club sold 13,600 tickets and with an average of 3 people in a car welcomed 40,000 guests.

Our teams supported stunt experts during the filming of the **Top Gear** Wall of Death episode in the Great Hall and delivered a socially distanced darts event, although only one session was held with an audience of 500, the remaining 22 sessions were held behind closed doors.

Armed with this expertise, the enhanced reputation of the Park and Palace, the assets in better than ever condition and strong relationships with clients and suppliers we will be able to rebuild to pre Covid-19 levels faster than the time period of the previous growth and achieve the financial viability and resilience required to continue to support our heritage assets into the future.

The team should be proud of what has been achieved during this time as one of the few UK venues that did not completely close.

Despite maintaining our high profile with strong brands in the venue and our own brand events we cannot ignore the impact that the Covid-19 pandemic has had. Our trading income was reduced by 87% and we are grateful for the Culture Recovery Fund grant, which has offset some of the impact. However, the trading subsidiary's ability to make a charitable donation to the Trust will be affected for several years to come.

The talented teams at Alexandra Palace are confident that we will be able to continue to entertain London soon as it has done since 1873. We have a high quality, eclectic programme of events and theatre performances programmed for 2021-2022 to broaden and diversify the offering further across the site and reach new audiences including:

- Mark Gatiss starring in and adapting A Christmas Carol.
- a modern adaptation of Jane Austen's Persuasion and has a sound track featuring Frank Ocean, Dua Lipa, Cardi B and lots more.
- Hosting the Earthshot Awards

Approved by the Board of Directors on 22 September 2021 and signed on behalf of the Board by:



Louise Stewart

Director

On 22 September 2021

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 31 March 2021. 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 the 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 Corporate 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 pandemic had a devastating impact on our commercial activities as most were not permitted under the Government restrictions and regulations. Prior to the pandemic we operated a trading model delivering £16m+ annual turnover through a variety of well-established income streams. During the year under review the achieved trading turnover was £2m mostly through new income generating activities such as hiring out spaces in the venue for filming and the outdoor food and beverage offer. The Ice Rink was also opened intermittently, as restrictions permitted.

The Company embraced all available Government support schemes, supported staff and maintained good relationships with business partners and suppliers in preparation for the post pandemic recovery. The financial statements have been approved during a period of recovery from the impact of Covid-19 on retail, catering and the events business.

Throughout the year Directors have maintained regular oversight of the financial projections and are closely monitoring worst case scenario testing and available cash flow in the event of further restrictions to trading. The current 2021/22 financial forecast predicts recovery to a break-even position based on a turnover of £12m. The risks of a potential third wave of the pandemic in the autumn/ winter have been costed and assessed with an assumption that the current overdraft facility which expires at the end of March 2022 is renewed and remains in place to mitigate any detrimental impact on APTL's cash flow.

Having reviewed the funding facilities available and expected to be 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 there to be 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 2021, this distribution has not been recognised as a liability. However, in 2020/21 the Company suffered a taxable loss of £339,000 and therefore no Gift Aid distribution will be made to the Trust within nine months after the year end. During the year the Company distributed £615,000 to the Trust from last year's taxable reserves.

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.



Signed on behalf of the Board by Louise Stewart:
Director, on 22 September 2021

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.

Auditor's report

We have audited the financial statements of Alexandra Palace Trading Limited (the 'Company') for the year ended 31 March 2021 which comprise the Profit and Loss account, Balance sheet, 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 2021 and of its profit/loss 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular provisions for bad and/or doubtful debts; and
- Reviewing the assumptions and judgements used by the professional actuary in relation to the pension valuations.

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)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
5 October 2021

10 Queen Street Place
London
EC4A 3DF

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 2021**

	Notes	2021 £000	2020 £000
Turnover	3a	2,121	16,445
Cost of sales		(3,576)	(13,467)
Gross Loss/Profit		(1,455)	2,978
Administrative expenses		(943)	(1,260)
Other operating income	3b	2,069	-
Operating Loss/Profit	4	(329)	1,718
Interest receivable and similar income		1	10
Other finance costs		(11)	(17)
Loss/Profit on ordinary activities before taxation		(339)	1,711
Taxation	7	90	(180)
Loss/Profit on ordinary activities after taxation		(249)	1,531

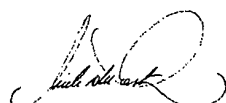
All the above amounts relate to continuing activities.

The notes on pages 12 to 20 form an integral part of these financial statements.

Balance Sheet at 31 March 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Tangible assets	8	539	616
Current assets			
Stocks	9	35	33
Debtors	10	665	1,875
Cash at bank and in hand		3,965	4,197
Total Current Assets		4,665	6,105
Creditors: amounts falling due within one year	11	(3,299)	(4,359)
Net current assets/liabilities		1,366	1,746
Total assets less current liabilities		1,905	2,362
Creditors: Amounts falling due after one year	12	(531)	-
Net Assets excluding pension Scheme liability		1,374	2,362
Pension scheme liability	15	-	-
Net assets Including Pension Scheme Liability		1,374	2,362
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		1,374	2,362
Shareholder's funds		1,374	2,362

The Financial Statements of Alexandra Palace Trading Limited, Company Number 03819988, were approved by the Board of Directors on 22 September 2021 and were signed on its behalf by:



Nick da Costa
Chair



Louise Stewart
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

Statement of Changes in Equity Year Ended 31 March 2021

	Notes	Pension reserve £000	Trading reserve £000	Total £000
At 31 March 2020		-	2,362	2,362
Profit for the year after taxation		-	(249)	(249)
Remeasurement of net defined benefit liability/surplus		234	(124)	110
Irrecoverable defined benefit surplus not recognised under scheme rules		(234)	-	(234)
Profit paid via gift aid to Alexandra Park & Palace Charitable Trust		-	(615)	(615)
At 31 March 2021		-	1,374	1,374

Previous Year

	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		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

Notes to the Financial Statements Year Ended 31 March 2021

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.

Other Income

Furlough - Government grant income represents the total amount claimed from HMRC under the CJRS. The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

Cultural Recovery Fund - Other grant income is recognised in the period in which the Company has entitlement to the income and the amount can be measured reliably and it is probable the income will be received. Income is deferred only when the Company has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future accounting period.

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.

Assets are not normally capitalised if they are below 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.

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.

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 and Other Income

3(a) Turnover is wholly attributable to the Company's principal activities and is wholly derived from trade within the United Kingdom.

	2021 £000	2020 £000
Turnover from Principal Activities	<u>2,121</u>	<u>16,445</u>

3(b) Other income represents financial support received in response to the Pandemic

	2021 £'000	
Job Retention Grant	996	
Culture Recovery Fund Grant	1,073	
	<u>2,069</u>	<u>3,823</u>

4. Operating profit

	2021 £000	2020 £000
Operating profit is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	17	16
Fees payable to the Company's auditor for other services:		
Tax compliance services	7	2
Operating lease rentals	6	6
	Others	30
Depreciation of fixed assets	Owned	101
	110	

5. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	133	134

The Directors' emoluments for 2020/21 relate to:

- 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 (2020: one)

Two paid Non-Executive Directors (2020: three)

The other Directors, comprising four Trustees of the parent charity (2020: four) have not received remuneration for their services.

One Director, the Trading Company Executive Director, is a member of the APTL pension scheme (2020: one).

6. Staff costs (including Directors)

	2021 £000	2020 £000
Staff costs during the year:		
Wages and salaries	2,428	3,343
Apprentice Levy (tax)	1	2
Social security costs	226	289
Pension cost - Defined benefit	14	15
Pension cost - Defined contribution	143	174
Termination payment	53	-
	2,865	3,823

Average number of persons employed during the year:

	2021 Number	2020 Number
Revenue generating activities	122	150
Management, administration and personnel	13	14
	135	164

7. Tax on profit on ordinary activities of Trading Subsidiary

The Trading Subsidiary has an estimated corporation tax refund for the year of £90k (2020: £180K). The tax related amounts are explained below.

	2021 £000	2020 £000
(Loss)/Profit on ordinary activities before taxation	(339)	1,711
Tax on profit on ordinary activities at 19% (2020: 19%)	(64)	325
Expenses not deductible for tax purposes	(1)	3
Amounts (charged/credited) directly to STRGL or otherwise transferred	(24)	6
Adjustments to tax charge in respect of previous periods	(9)	-
Adjustments to deferred tax	-	6
Deferred tax not recognised	8	(44)
Charitable donations	-	(116)
Tax credit charge	(90)	180

A deferred tax liability of £78,657 (2020: liability £99,212) 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 2020	526	441	967
Additions	-	33	33
Disposals	-	(78)	(78)
At 31 March 2021	526	396	922
Depreciation			
At 1 April 2020	137	214	351
Charge for the year	37	73	110
Disposals	-	(78)	(78)
At 31 March 2021	174	209	383
Net book value			
At 31 March 2021	352	187	539
At 31 March 2020	389	227	616

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9. Stocks

	2021	2020
	£000	£000
Stocks comprise:		
Food and beverages	7	-
Disposables	24	29
Gift items for Sale	4	4
	<u>35</u>	<u>33</u>

10. Debtors

10a. Amounts falling due within one year

	2021	2020
	£000	£000
Trade debtors	582	871
Amount due from parent charity	8	290
Other debtors	2	2
Prepayments and work in progress	73	98
	<u>665</u>	<u>1,261</u>

10b. Amounts falling due after more than one year

	2021	2020
	£000	£000
Amounts due from parent charity	-	614
	<u>-</u>	<u>614</u>
Total Debtors:	665	1,875

11. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	321	1,192
Amount due to parent charity	411	363
Corporation Tax payable	90	180
Other taxes and social security costs	225	219
Other creditors	1,610	1,738
Accruals	91	288
Deferred income	551	379
	<u>3,299</u>	<u>4,359</u>

12. Creditors: Amount failing due after more than one year

	2021	2020
	£000	£000
Other Creditors	488	-
Deferred income	43	-
	<u>531</u>	<u>-</u>

13. Called up share capital

	2021 £	2020 £
Called up and fully paid		
2 ordinary shares of £1 each	2	2

14. Financial Commitments

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

	2021		2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- within one year	1	3	1	4
- between one and five years	-	-	-	3
	<u>1</u>	<u>3</u>	<u>1</u>	<u>7</u>

15. Pension scheme

15(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 (2020: one) scheme member still in the employment of the Trading Company as at 31 March 2021. 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)	2.3 % per annum compound
Rate of price inflation/pensions increases	3.3 % per annum compound
Discount rate	4.2 % per annum compound

Alexandra Palace Trading Limited employer's contribution is 49% of salary for 20/21 (2020: 35%). The total pension contribution for the year was £20,000 (2020: £14,000). In addition, Alexandra Palace Trading Limited paid £115,000 (2020: £136,000) towards reducing the fund deficit.

The actuarial valuation described above has been updated at 31 March 2019 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.

15. Pension Scheme (continued)

The major assumptions used for the actuarial valuation for the year end date were:

	Nominal % per annum compound	
	2021	2020
Pension increase rate	2.8	2.0
Rate of pensionable salary increases (excluding increments)	3.8	3.0
Discount rate	1.9	2.3

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

	Males	Females
Current pensioners	21.7 years	24.2 years
Future pensioners	23.1 years	26.0 years

Recognition in the profit and loss account

	2021	2020
	£000	£000
Current service cost	16	18
Interest cost	79	90
Interest income on plan assets	(84)	(91)
	<u>11</u>	<u>17</u>

Reconciliation of defined benefit obligation

	2021	2020
	£'000	£'000
Opening defined benefit obligation	3,494	3,813
Current & past service cost	16	18
Interest cost	79	90
Contributions by members	3	3
Actuarial losses/ (gains)	613	(280)
Benefits paid	(119)	(151)
Closing defined benefit obligation	<u>4,086</u>	<u>3,493</u>

Reconciliation of fair value of scheme assets

	2021	2020
	£000	£000
Opening fair value of employer assets	3,630	3,783
Interest income on plan assets	84	91
Contributions by members	3	3
Contributions by the employer	135	150
Actuarial losses/ (gains)	723	(246)
Benefits paid	(119)	(151)
Closing fair value of employer assets	<u>4,456</u>	<u>3,630</u>

15. Pension scheme (continued)

The scheme assets are invested as follows:

	2021	2020
	£000	£000
Equities	3,030	1,997
Bonds	936	1,089
Property	445	508
Cash	45	36
Total	<u>4,456</u>	<u>3,630</u>

Analysis of amount recognised in statement of equity.

	2021	2020
	£000	£000
Actuarial gain	110	34
Irrecoverable defined benefit surplus not recognised	(234)	(137)
Actuarial (loss)	<u>(124)</u>	<u>(103)</u>

Reconciliation of Net Pension Asset.

	2021	2020
	£000	£000
Pension Asset	4,456	3,630
Pension Liability	(4,086)	(3,493)
Irrecoverable defined benefit surplus not recognised	(370)	(137)
	<u>-</u>	<u>-</u>

15(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 £151,000 (2020: £182,000).

16. 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.