

Registered number: 03819988

ALEXANDRA PALACE TRADING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



ALEXANDRA PALACE TRADING LIMITED

COMPANY INFORMATION

Directors	Jamie Copas Nicholas da Costa Emma Dagnes Emine Ibrahim (appointed 9 June 2022) Andrew Morton Anne Stennett Charlotte Collett (appointed 9 June 2022, resigned 19 October 2023)
Company secretary	Richard Paterson
Registered number	03819988
Registered office	Alexandra Palace Alexandra Palace Way London N22 7AY
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays Bank 1 Churchill Place Canary Wharf London E14 5HP
Solicitors	Russell-Cooke 2 Putney Hill London SW15 6AB

ALEXANDRA PALACE TRADING LIMITED

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ALEXANDRA PALACE TRADING LIMITED

CHAIR'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

The Chair presents his statement for the period.

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 2022/23.

The Palace, which has been a place of entertainment, recreation and education for more than 150 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.

Key to Alexandra Palace's trading success is the passion and commitment of its staff, who work tirelessly to deliver extraordinary experiences 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.

Nick da Costa
Director and Chair of APTL Board

ALEXANDRA PALACE TRADING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

Trading Activity

During 2022/23 Alexandra Palace hosted 173 events, occupying 218 days in the main halls and 227 days in the Theatre, with 361 event open days across both areas attracting over 630,000 visitors and resulting in a record £2.5m contribution including licence fee to the Charity.

Key highlights

38 **concerts** were held in the Main Halls including Michael Kiwanuka, Jamie T, Bicep, Sea Girls, Carly Rae Jepsen, Lorde, Franz Ferdinand, Greta Van Fleet, A boogie wit da Hoodie, Charli XCX, Meronomy & Gojira. Returning **Exhibitions**: Cycle Show, ABTT (Association of British Theatre Technicians), Tool Fair, Vegan Life, Crafterama, Mind Body & Soul, Knitting & Stitching, Great British Tattoo Show, Antiques & Collectors Fair and the Festival of Railway Modelling.

Our **2022 Summer Series** included concerts from Primal Scream, Fat Freddy's Drop and **Kaleidoscope Festival** with six areas and stages and headline performances by the legendary electronic music duo Orbital and veteran Manchester outfit Happy Mondays. The Victorian basements were opened-up as the Midnight Moon Hotel for live music and cabaret and our family area provided performances, arts and craft, disco fire truck, sports, space raves, and a Mini Land Rovers course.

Major Sporting events including the Cazoo Masters Snooker and PDC World Darts Championship delivered record number of attendees and was watched by 5 million worldwide. The annual **Fireworks Festival** in November sold out, including our bier festival, ice rink activities and cinema screenings.

The **Theatre** hosted 152 public performances over 130 event days including three theatre productions - Persuasion in the spring, our summer production was Tom Dick and Harry in the round format, and Bugsy Malone, The Musical as the Christmas show.

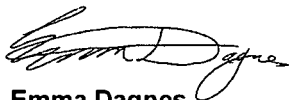
Our comedy programme highlights: Jimmy Carr, Lenny Henry, Simon Amstel, Dylan Moran and Grace Campbell and spoken word with Rev. Richard Coles as well as Alice Osman and Lucy Worsley.

A number of creative learning and participations events were hosted including Bibliobuzz and performances from the Young Actors Company, BBC Concert Orchestra rehearsals, brand experience and corporate events plus high profile film shoots including the Bob Marley, One Love film.

Music highlights included Ed Sheeran, Suggs and Paul Weller, Joan As Policewoman and London Gay Men's Chorus. The Theatre became the home for Later... With Jools Holland with two seasons filmed, including an Arctic Monkeys special.

The **Ice Rink** has had a successful year and the financial upside can be attributed to the increase in adult and junior skate and fast-track courses, popularity of the ice hockey, the development of the Huskies team games and the commitment to improving customer experience.

This report was approved by the Board on 7th December 2023 and signed on its behalf.



Emma Dagnes
Director

ALEXANDRA PALACE TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 '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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Principal activity

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 Phoenix Bar and Kitchen and the Ice Rink, and operating the Victorian Theatre.

ALEXANDRA PALACE TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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.

Directors are maintaining regular oversight of the financial projections. The current 2023/24 financial forecast predicts APTL making a £1.8m surplus based on a turnover of £17.8m.

Although the current cost of living crisis together with high inflation rates presents a real risk to APTL the business is not currently seeing consumer confidence weaken as customers continue to prioritise their 'annual highlights' like gigs and sporting events. However, different scenarios and their financial outcomes are regularly reviewed together with available cashflows.

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 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 as per the Company Information section.

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 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 2023, this distribution has not been recognised as a liability. The Company intends to distribute £2,357,000 of its accounting profits to its parent charity within nine months of the financial year end (2022: £1,451,000).

Directors

The Directors who served during the year were:

Jamie Copas
Nicholas da Costa
Emma Dagnes
Emine Ibrahim (appointed 9 June 2022)
Andrew Morton
Anne Stennett
Charlotte Collett (appointed 9 June 2022, resigned 19 October 2023)

ALEXANDRA PALACE TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Future developments

Plans in the short term focus on the continued recovery from the pandemic and the current cost of living crisis, by attracting customers back to enjoy the public spaces of the park and palace. In the medium to longer term, our targets will focus on our core strategic priorities towards creating a sustainable home for all that we do.

APTL's focus will be around the following areas:

- Investing in key infrastructure to support future income generation and improve the visitor experience
- Delivering increased contribution (profit) from trading activities
- Having a commercially savvy approach to all purchase, procurement and supplier relationships
- Being bold when considering new and innovative ways of generating income

Disclosure of information to auditors


Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 7th December 2023 and signed on its behalf.



Nick da Costa
Director and Chair of APTL Board

ALEXANDRA PALACE TRADING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALEXANDRA PALACE TRADING LIMITED

Opinion

We have audited the financial statements of Alexandra Palace Trading Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, 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 2023 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

ALEXANDRA PALACE TRADING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALEXANDRA PALACE TRADING LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 Strategic Report or 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

ALEXANDRA PALACE TRADING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALEXANDRA PALACE TRADING LIMITED (CONTINUED)

Auditors' 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 Auditors' 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

ALEXANDRA PALACE TRADING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALEXANDRA PALACE TRADING LIMITED
(CONTINUED)

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 21/12/2023

ALEXANDRA PALACE TRADING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
Turnover	4	17,882	12,829
Cost of sales		(14,241)	(10,352)
Gross profit		<u>3,641</u>	<u>2,477</u>
Administrative expenses		(1,216)	(1,242)
Other operating income	5	-	348
Other finance income/(costs)		9	(14)
Operating profit	6	<u>2,434</u>	<u>1,569</u>
Interest receivable and similar income		24	2
Profit before tax		<u>2,458</u>	<u>1,571</u>
Tax on profit	9	-	3
Profit for the financial year		<u><u>2,458</u></u>	<u><u>1,574</u></u>
Total comprehensive income for the year		<u><u>2,458</u></u>	<u><u>1,574</u></u>

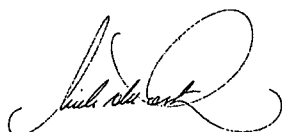
The notes on pages 13 to 25 form part of these financial statements.

ALEXANDRA PALACE TRADING LIMITED
REGISTERED NUMBER: 03819988

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	10	426	493
		<u>426</u>	<u>493</u>
Current assets			
Stocks	11	144	191
Debtors	12	1,501	1,888
Cash at bank and in hand	13	5,202	4,673
		<u>6,847</u>	<u>6,752</u>
Creditors: amounts falling due within one year	14	(3,586)	(4,420)
Net current assets		<u>3,261</u>	<u>2,332</u>
Total assets less current liabilities		<u>3,687</u>	<u>2,825</u>
Net assets		<u>3,687</u>	<u>2,825</u>
Capital and reserves			
Profit and loss account		3,687	2,825
		<u>3,687</u>	<u>2,825</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 7th December 2023.



Nick da Costa
Director and Chair of APTL Board

The notes on pages 13 to 25 form part of these financial statements.

ALEXANDRA PALACE TRADING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Pension reserve £000	Trading reserve £000	Total equity £000
At 1 April 2021	-	1,374	1,374
Profit for the year	-	1,574	1,574
Measurement of net defined benefit liability/surplus	644	(123)	521
Irrecoverable defined benefit surplus not recognised under scheme rules	(644)	-	(644)
At 1 April 2022	-	2,825	2,825
Profit for the year	-	2,458	2,458
Profit paid via gift aid to Alexandra Park & Palace Charitable Trust	-	(1,451)	(1,451)
Measurement of net defined benefit liability/surplus	729	(145)	584
Irrecoverable defined benefit surplus not recognised under scheme rules	(729)	-	(729)
At 31 March 2023	-	3,687	3,687

The notes on pages 13 to 25 form part of these financial statements.

ALEXANDRA PALACE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Alexandra Palace Trading Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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.

2.3 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.

2.4 Operating leases: the Company as lessee

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.

2.5 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 fulfill conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future accounting period.

ALEXANDRA PALACE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. 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.

Defined benefit pension plan

The Company operates a defined benefit 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.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ALEXANDRA PALACE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 4% - 10% per annum
Motor vehicles	- 20% per annum
Office equipment, furniture and fittings	- 20% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Cashflow 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.

2.11 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to

ALEXANDRA PALACE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Financial instruments (continued)

settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Judgements in applying accounting policies 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, see note 16.

ALEXANDRA PALACE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £000	2022 £000
Turnover from Principal Activities	17,882	12,829
	<u>17,882</u>	<u>12,829</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £000	2022 £000
Culture Recovery Fund Grant	-	294
Job Retention Grant	-	54
	<u>-</u>	<u>348</u>

6. Operating profit

The operating profit is stated after charging:

	2023 £000	2022 £000
Other operating lease rentals	-	3
	<u>-</u>	<u>3</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Employees

Staff costs were as follows:

	2023 £000	2022 £000
Wages and salaries	3,270	2,711
Social security costs	306	244
Cost of defined benefit scheme	(9)	14
Cost of defined contribution scheme	157	130
	<u>3,724</u>	<u>3,099</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2023 No.	2022 No.
Revenue generating activities	131	107
Management, administration and personnel	12	12
	<u>143</u>	<u>119</u>

8. Directors' remuneration

Directors' emoluments for the 2022/23 year totalled £49k (2022: £126k). The directors' emoluments for 2022/23 relate to:

- No (2022: One) executive directors received emoluments paid by Alexandra Park and Palace Charitable Trust for services as Trust CEO and for oversight of the Trading Company.
- One (2022: One) Trading Company executive Director for services as Trust CEO and oversight of the Trading Company. An amount of £105k were the emoluments relating to the Trust CEO position.
- Two (2022: Two) paid non-executive directors

The other directors, comprising of three (2022: three) trustees of the parent charity have not received remuneration for their services.

One (2022: One) director, the trading company executive director, is a member of the APTL pension scheme.

ALEXANDRA PALACE TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits for the year	-	(3)
Total current tax	<u>-</u>	<u>(3)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>-</u>	<u>(3)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	<u>2,458</u>	<u>1,571</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	467	298
Effects of:		
Fixed asset differences	(4)	(5)
Expenses not deductible for tax purposes	1	1
Capital allowances for year in excess of depreciation	(276)	(22)
Adjustments to brought forward values	(27)	(276)
Adjustments to tax charge in respect of prior periods	-	(4)
Remeasurement of deferred tax for changes in tax rates	(4)	23
Deferred tax not recognised	15	(18)
Other timing differences leading to an increase (decrease) in taxation	(172)	-
Total tax charge for the year	<u>-</u>	<u>(3)</u>

A deferred tax liability of £95,912 (2021: £78,657) has not been recognised in respect of fixed asset timing differences.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Tangible fixed assets

	Plant and machinery £000	Office equipment, fixtures and fittings £000	Total £000
Cost or valuation			
At 1 April 2022	524	399	923
Additions	-	37	37
At 31 March 2023	524	436	960
Depreciation			
At 1 April 2022	210	220	430
Charge for the year on owned assets	36	68	104
At 31 March 2023	246	288	534
Net book value			
At 31 March 2023	278	148	426
At 31 March 2022	314	179	493

11. Stocks

	2023 £000	2022 £000
Food and beverages	95	137
Disposables	46	51
Gift items for sale	3	3
	144	191

ALEXANDRA PALACE TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Debtors

	2023	2022
	£000	£000
Trade debtors	1,338	1,454
Amounts owed by group undertakings	95	107
Other debtors	7	4
Prepayments and accrued income	61	323
	<u>1,501</u>	<u>1,888</u>

13. Cash and cash equivalents

	2023	2022
	£000	£000
Cash at bank and in hand	5,202	4,673
	<u>5,202</u>	<u>4,673</u>

14. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	755	985
Amounts owed to group undertakings	154	113
Other taxation and social security	268	121
Other creditors	1,574	1,678
Accruals and deferred income	835	1,523
	<u>3,586</u>	<u>4,420</u>

15. Share capital

	2023	2022
	£000	£000
Allotted, called up and fully paid		
2 (2022 - 2) Ordinary share capital shares of £1.00 each	<u>-</u>	<u>-</u>

ALEXANDRA PALACE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Pension commitments

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 (2022: one) scheme member still in the employment of the Trading Company as at 31 March 2022. 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 2023. 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)	3.70% per annum compound
Rate of price inflation/pensions increases	2.70% per annum compound
Discount rate	4.70% per annum compound

The Company operates a Defined Benefit Pension Scheme.

The actuarial valuation described above has been updated at 31 March 2023 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.

Composition of plan assets:

	2023 £000	2022 £000
Equities	3,389	3,332
Bonds	786	931
Property	589	539
Cash	147	98
Total plan assets	4,911	4,900

ALEXANDRA PALACE TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2023	2022
	£000	£000
Current service cost	20	22
Interest cost	104	79
Gains on curtailments and settlements	(133)	(87)
Total	<u>(9)</u>	<u>14</u>

Reconciliation of fair value of plan liabilities were as follows:

	2023	2022
	£000	£000
Opening defined benefit obligation	3,886	4,086
Current service cost	20	22
Interest cost	104	79
Contributions by members	3	3
Actuarial gains and (losses)	(730)	(184)
Benefits paid	(115)	(120)
Closing defined benefit obligation	<u>3,168</u>	<u>3,886</u>

Reconciliation of fair value of plan assets were as follows:

	2023	2022
	£000	£000
Opening fair value of scheme assets	4,900	4,456
Interest income	133	87
Contributions by employer	136	137
Contributions by members	3	3
Actuarial losses	(146)	337
Benefits paid	(115)	(120)
	<u>4,911</u>	<u>4,900</u>

Principal actuarial assumptions at the balance sheet date were:

	2023	2022
	%	%
Discount rate	4.75	2.70

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Pension commitments (continued)

Rate of pensionable salary increases (excluding increments)	4	4.30
Pension increase rate	3	3.3
Assumptions relating to the average future life expectancy of members at age 65 were as follows:		
Current pensioners - Males	21.1	21.5
Current pensioners - Females	23.5	24.0
Future pensioners - Males	23.2	22.9
Future pensioners - Females	24.9	25.8

17. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	2022 £000
Not later than 1 year	-	1
	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>
	2023 £000	2022 £000
Not later than 1 year	-	5
Later than 1 year and not later than 5 years	-	7
	<u>-</u>	<u>12</u>
	<u>-</u>	<u>12</u>

18. 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 £147,000 (2022: £130,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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19. 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 & Charitable Trust, Alexandra Palace Way, London N22 7AY.