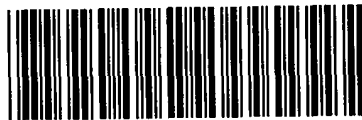

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

COMPANY INFORMATION

Directors	R Duchâtelet K Meire R A Murray
Registered number	01788466
Registered office	The Valley Floyd Road Charlton London SE7 8BL
Independent auditors	Nyman Libson Paul Chartered Accountants & Statutory Auditors Regina House 124 Finchley Road London NW3 5JS

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

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CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report and the financial statements for the year ended 30 June 2015.

Results and dividends

The loss for the year, after taxation, amounted to £3,870,000 (2014 - loss £5,718,000).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

R Duchâtelet
K Meire
R A Murray

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable contributions

The company made charitable donations of £nil (2014: £nil) during the year. The company provides match tickets, hospitality and signed memorabilia for numerous charitable organisations, local schools and youth teams. The company also provides certain administrative resources to the South of England Foundation, a registered charity that trades as the Charlton Athletic Community Trust. These resources are not material and have not been quantified. The company also facilitated fundraising for a variety of charitable organisations on matchdays at the Valley. There were no political donations.

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

Employee involvement

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and the company's website. The company operates an equal opportunity policy for recruitment and training development which gives equal opportunities to all employees regardless of age, gender, colour, race, religion or ethnic origin. The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled it is the company's policy wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees where appropriate. The company has a committee which is responsible for all aspects of its health, safety and environmental policies which meets regularly to discharge the company's responsibilities in these areas.

Auditors

The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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.

Directors' and officers' liability insurance

During the year the company has maintained cover for its directors and officers under a directors' and officers' liability insurance policy.

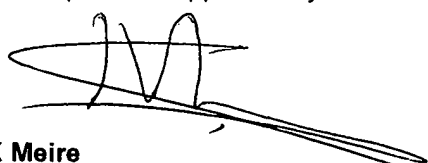
Payments policy

The company does not have a standard creditor payment policy. Payment terms are normally agreed with suppliers at the time of placing orders. All suppliers fulfilling the conditions of order will be paid in accordance with the terms agreed. Trade creditors represented 60 days (2014: 60 days) of annual purchases, when the effect of major capital works and plant purchases are excluded.

This report was approved by the board on

26/11/15

and signed on its behalf.



K Meire
Director

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

The principal activity of the company continues to be the operation of a professional football club, together with related commercial activities.

Ownership

Throughout the year the club was owned by Staprix NV, a company registered in Belgium, which is beneficially owned by Roland Duchâtelet.

Football review

First team

The first team continued to compete in the Football League Championship for the third successive season, having finished 18th in the prior season. Ahead of the 14/15 season there was a significant level of investment both in the playing squad and infrastructure at the Valley – this was evident in the improved performances and playing surface (rated in the top 3 in the Championship).

The League season culminated with the club finishing in 12th position, accumulating 60 points along the way. Highlights from the campaign included wins against two of the three promoted sides and a period of three 3-0 wins in four games in February 2015.

The improved performances on the pitch led to a 4% increase in average attendances at the Valley, an average increase of 578 to 16,708 (2013/14 – 16,130). Consistent with previous years, the season's highest attendance of the year was the "Football For A Fiver" game, this year against Huddersfield Town, with a crowd very close to capacity of 25,545. Despite the increase in average attendance the club dropped two positions to 13th in the Championship attendance rankings due to Norwich City dropping down from the Premier League and Middlesbrough having a much stronger season than previous years. It remains a target of the Board to grow the current attendance levels to a target of 20,000 in the Championship.

Youth Academy

The 2014/15 season was a high achieving season for player development and team performance at Academy level. Two more young players, Joe Gomez (Under 18) and Karlan Ahearne-Grant (Under 17) made their first team debuts. Gomez went on to make sixteen starts and take Valley Gold Young Player of the year award. Both players also represented England at Youth level. Another Academy graduate Jordan Cousins (Under 21) was voted Player of the Year by the supporters.

The Under 18 team had their most successful season since the introduction of the Elite Player Performance Plan and won the Professional Development League South title for the third successive year. They also finally won the National Title, overcoming Nottingham Forest (semi-final) and Brentford (final). The Under 21 team were not to be outdone on achieving a 'Champion Status' and won the Kent Senior Cup, defeating Gillingham 1-0 to become County Champions for the second time in three years. The Under 14 team also reached a final, the inaugural Youdan International Trophy. They were runners up in an excellent final against Glasgow Rangers, played at Bramall Lane, an occasion not to be forgotten by the youngsters.

The ambition of the Academy to gain a category 1 licence continues to progress with the new build project, pitch reconfiguration and development of artificial surfaces receiving planning permission. The intention is to submit our application in May 2016 for licence audit in the 2016/17

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2015**

Financial review

<u>Turnover</u>	2015	2014	Variance	Variance
	(£000)	(£000)	(£000)	(%)
Central income	4,179	4,208	(29)	(1)
Match-day	5,110	6,315	(1,205)	(19)
Commercial	1,284	1,547	(263)	(17)
Other	1,193	670	523	78
Total	11,766	12,740	(974)	(8)

Central income consists of Football League and Premier League central distributions and is consistent with previous year distributions. 2014/15 was the third (and final) year of the current Football League TV deal so no increase was expected in this area. Solidarity distributions (£2.3m) are made to those clubs throughout the Football League who are not in receipt of parachute payments. Parachute payments are made to those clubs recently relegated from the Premier League and are significantly greater in value (up to £25m).

Match-day income consists primarily of ticket income, match-day hospitality, advertising and programmes. This category also includes cup-related income which explains the significant decrease in revenue of 19% on prior year due to the FA Cup run to the quarter-finals in the 2013/14 season, compared to being knocked out in the third round in the 14/15 season.

Commercial income comprises primarily of sponsorship, non-matchday events and retail. The 17% decrease on prior year arises mainly as a result of outsourcing the non-matchday events operation. This resulted in an improved profit but revenue decreased.

Other income principally comprises youth academy grant income arising from the EPPP. The level of grant is determined by the category status of the club's youth academy. Other income also includes significant contributions from Valley Gold, the charitable organisation directly linked to the Club, which further supports the development of players in our Youth Academy. The 78% increase in 2014/15 is primarily due to a large rates rebate received in relation to previous years following a successful challenge of the historical methodology used to calculate the rateable value.

Operating expenses

Operating expenses, excluding depreciation and player amortisation, were £16.8m (2014 - £17.8m), the decrease on prior year primarily reflecting the outsourcing of the catering operation at the Valley. Furthermore in the prior year there were higher exceptional costs as a result of the company re-organisation and pitch cover costs.

Staff costs of £11.5m (2014 - £11.5m) includes £0.2m (2014 - £0.4m) of severance costs. Once these exceptional costs are excluded staff costs represent 96% (2014 - 88%) of turnover. This is an increase on prior season and arises from the combination of (i) player wage increases required to remain competitive in the Championship and (ii) catering contract outsourced which reduces revenue. The Board will continue to monitor this ratio closely but notes that the reduction in overall losses is more important than this ratio.

Profit on disposal of players' registrations

Profit on disposal of players' registrations amounted to £4.4m (2014 - £1.7m). This arose primarily from the transfers of Gomez (Liverpool) and Poyet (West Ham Utd).

Retained loss

Once interest, depreciation and amortisation are taken into account the retained loss for the year was £3.9m. This represents a positive 32% reduction in losses in comparison with the previous year (2014 - £5.7m). This is

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2015**

in addition to the previous year's reduction in losses of 12%. It is the Board's strategy to continue to reduce these levels of losses over time and move towards a break-even position whilst remaining highly competitive on the pitch in the Championship.

The key performance indicators discussed above are further detailed in Notes 2 and 4 to the financial statements. These revenue and cost centres are monitored regularly by the Board against detailed budgets.

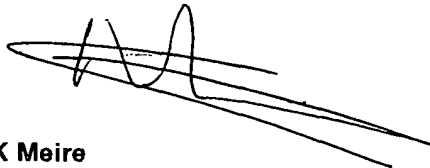
Bank loans

Bank loans continued to be repaid during the year at a significant rate, resulting in a £1.8m reduction in the bank loan balance over the year. As at 30 June 2015 the loan balance is £0.9m, which will be fully repaid by 31 December 2015.

This report was approved by the board on

26/11/15

and signed on its behalf.



**K Meire
Director**

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

We have audited the financial statements of Charlton Athletic Football Company Limited for the year ended 30 June 2015, set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

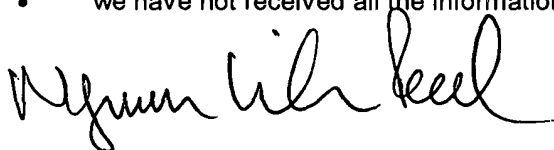
CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Richard Paul (Senior statutory auditor)

for and on behalf of
Nyman Libson Paul

Chartered Accountants
Statutory Auditors

Regina House
124 Finchley Road
London
NW3 5JS

Date: 26 NOVEMBER 2015

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015**

		Operations excluding player amortisation and trading	Player amortisation and trading	2015	2014
	Note	£000	£000	£000	£000
Turnover	2	11,766	-	11,766	12,740
Operating expenses		(18,031)	(1,388)	(19,419)	(19,444)
Exceptional items	8	(162)	-	(162)	(454)
Operating loss	3	(6,427)	(1,388)	(7,815)	(7,158)
Profit on disposal of players		-	4,406	4,406	1,718
Loss before interest and taxation		(6,427)	3,018	(3,409)	(5,440)
Interest receivable				-	-
Interest payable	7			(460)	(278)
Loss on ordinary activities before taxation				(3,869)	(5,718)
Taxation	9			-	-
Loss for the financial year				(3,869)	(5,718)

All amounts derive from continuing operations.

There are no material differences between the results reported above and the results on an unmodified historical cost basis.

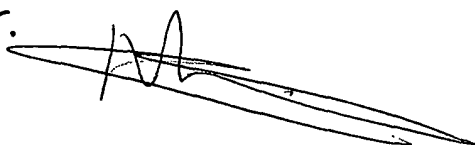
CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED
REGISTERED NUMBER: 01788466

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	£000	2015 £000	2014 £000
FIXED ASSETS				
Intangible assets	10		4,598	4,304
Tangible assets	11		29,925	30,084
			<u>34,523</u>	<u>34,388</u>
CURRENT ASSETS				
Stocks	12	-		22
Debtors	13	2,632		1,514
Cash at bank and in hand		2,809		153
		<u>5,441</u>		<u>1,689</u>
CREDITORS: amounts falling due within one year	14	<u>(6,820)</u>	<u>(6,948)</u>	
NET CURRENT LIABILITIES			<u>(1,379)</u>	<u>(5,259)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>33,144</u>	<u>29,129</u>
CREDITORS: amounts falling due after more than one year	15		<u>(52,030)</u>	<u>(44,146)</u>
NET LIABILITIES			<u><u>(18,886)</u></u>	<u><u>(15,017)</u></u>
CAPITAL AND RESERVES				
Called up share capital	17		4,983	4,983
Revaluation reserve	18		12,297	12,297
Profit and loss account	18		<u>(36,166)</u>	<u>(32,297)</u>
SHAREHOLDERS' DEFICIT	19		<u><u>(18,886)</u></u>	<u><u>(15,017)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

26/11/15.



K Meire
Director

The notes on pages 10 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention as modified by the revaluation of land and buildings.

1.2 Going concern

The board of directors has reviewed the future cash flow projections of the company and in their opinion, subject to the ongoing support of the company's bankers and Staprix NV, the company is able to continue its normal day to day operations for at least 12 months from the date of approval of these financial statements. Accordingly the accounts have been prepared on a going concern basis.

1.3 Turnover

Turnover represents income receivable from football and related commercial activities excluding transfer fees receivable and value added tax. Broadcast and match day income is recognised when related matches are played. Advance season tickets are included within deferred income and released to turnover in the relevant season.

1.4 Revaluation of tangible fixed assets

Freehold property and leasehold improvements are fully revalued every five years with an interim valuation carried out three years into every five year period. Leasehold improvements at The Valley stadium are carried out at depreciated replacement cost, freehold properties are carried at existing use value and other leasehold improvements are included at cost.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2%
Leasehold improvements	-	2%
Interior fit outs	-	10% - 20%
Ground and office equipment	-	20% - 33.33%

1.6 Stocks

Stocks which comprise goods for resale are valued at the lower of cost and net realisable value.

1.7 Grants received

Grants received in respect of safety work and ground improvements are treated as deferred income and released to the profit and loss account over the estimated useful life of the assets to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING POLICIES (continued)

1.8 Long term season ticket schemes

The net amount received by the company through long term season ticket schemes is treated as deferred income in the balance sheet and is released to the profit and loss account over the period in which the investors receive their season ticket.

1.9 Players' registrations

The costs of obtaining players' registrations are capitalised as intangible assets and amortised evenly over the period of the respective players' contracts. These costs include transfer fees, transfer levies and agents' fees. Payments contingent on the occurrence of uncertain future events are recognised when the event takes place. Players' registrations are written down for impairment when the individual player's carrying value exceeds the amount recoverable through use or sale.

1.10 Signing on fees and loyalty payments

Signing on fees are recognised in the profit and loss account evenly over the period covered by the players' contract. Loyalty payments are accrued to the profit and loss account for the period to which they relate.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Leasing and hire purchase

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful economic lives. The outstanding liabilities under the agreements less interest not yet due are amortised evenly over the term of the debt. The interest element of these obligations is charged to the profit and loss account over the terms of the relevant agreements. Rentals payable under operating leases are charged to the profit and loss account as incurred.

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. ACCOUNTING POLICIES (continued)

1.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.14 Pensions

Defined contribution pension payments are made for certain employees and are charged to the profit and loss account as they are incurred.

1.15 Cash flow statement

The cash flows of the company are included in the consolidated group cash flow statement of Baton 2010 Limited, the holding company. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 (revised 1996) from preparing a cash flow statement.

2. TURNOVER

Turnover, all of which arises in the United Kingdom, is stated net of value added tax and comprises:

	2015	2014
	£000	£000
Television and broadcast	4,179	4,208
Ticket income and match day activities	5,110	6,315
Commercial	1,284	1,547
Other	1,193	670
	<hr/>	<hr/>
	11,766	12,740
	<hr/>	<hr/>

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

3. OPERATING LOSS

The loss is stated after charging:

	2015	2014
	£000	£000
Amortisation - intangible fixed assets	1,388	896
Depreciation of tangible fixed assets:		
- owned by the company	1,384	1,158
Hire of plant and machinery	110	79
Other operating lease rentals	177	188
Auditors' remuneration	30	16
Auditors' remuneration - other services	8	10
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2014 - £NIL).

In the current year, Charlton Athletic Football Company bore the auditors' remuneration cost for Baton 2010 Limited and Charlton Athletic Holdings Limited.

4. STAFF COSTS

	2015	2014
	£000	£000
Wages and salaries	10,203	10,358
Social security costs	1,253	1,143
Other pension costs	24	18
	<u> </u>	<u> </u>
	<u>11,480</u>	<u>11,519</u>

5. STAFF COSTS

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

	2015	2014
	No.	No.
Full time playing, training and football management	99	101
Administration, commercial and stadium maintenance	45	60
	<u> </u>	<u> </u>
	<u>144</u>	<u>161</u>

In addition, the company employs approximately 121 (2014: 306) temporary staff on match days. The number has reduced significantly on prior year following the outsourcing of the matchday catering operation.

6. DIRECTORS' REMUNERATION

The highest paid director received remuneration of £NIL (2014 - £NIL).

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 £000	2014 £000
Emoluments	-	-
Fees	-	113
Pension contributions to money purchase schemes	-	-
	<u>-</u>	<u>113</u>

During the year, there were no retirement benefits accruing to directors (2014: nil) in respect of money purchase schemes.

The highest paid director received fees of £nil (2014: £112,500).

The value of the company's contributions paid to a defined contribution scheme in respect of the highest paid director amounted to £nil (2014: £nil).

7. INTEREST PAYABLE

	2015 £000	2014 £000
On bank loans and overdrafts	70	200
On loans from ultimate parent company	388	75
On finance leases and hire purchase contracts	2	4
	<u>460</u>	<u>279</u>

8. EXCEPTIONAL ITEMS

	2015 £000	2014 £000
Staff restructuring	162	324
Pitch cover costs	-	89
Other	-	41
	<u>162</u>	<u>454</u>

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

9. TAXATION**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 23%). The differences are explained below:

	2015 £000	2014 £000
Loss on ordinary activities before tax	<u>(3,869)</u>	<u>(5,718)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 23%)	(774)	(1,315)
Effects of:		
Expenses not deductible for tax purposes	3	3
Depreciation for year in excess of capital allowances	119	150
Non-taxable income	(43)	(49)
Tax losses arising in the period	684	1,203
Group relief	11	8
	<u>-</u>	<u>-</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has tax losses of approximately £73 million (2014: £70 million) available to carry forward against future trading profits.

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

10. INTANGIBLE FIXED ASSETS

	Players' registrations £000
Cost	
At 1 July 2014	6,028
Additions	1,747
Disposals	(118)
	<hr/>
At 30 June 2015	7,657
Amortisation	
At 1 July 2014	1,724
Charge for the year	1,388
On disposals	(53)
	<hr/>
At 30 June 2015	3,059
Net book value	
At 30 June 2015	4,598
	<hr/>
At 30 June 2014	4,304
	<hr/>

Additions related primarily to the acquisitions of Patrick Bauer and El Hadji Ba.

Disposals primarily related to Michael Morrison and Christophe Lepoint.

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

11. TANGIBLE FIXED ASSETS

	Leasehold improvement £000	Ground and office equipment £000	Motor vehicles £000	Total £000
Cost or valuation				
At 1 July 2014	31,664	3,058	41	34,763
Additions	483	742	-	1,225
At 30 June 2015	32,147	3,800	41	35,988
Depreciation				
At 1 July 2014	1,849	2,789	41	4,679
Charge for the year	1,161	223	-	1,384
At 30 June 2015	3,010	3,012	41	6,063
Net book value				
At 30 June 2015	29,137	788	-	29,925
At 30 June 2014	29,815	269	-	30,084

Leasehold improvements comprise:

	£000
Improvements at valuation	29,137

12. STOCKS

	2015 £000	2014 £000
Goods for resale	-	22

13. DEBTORS

	2015 £000	2014 £000
Due after more than one year		
Trade debtors	1,500	-
Due within one year		
Trade debtors	577	906
Other debtors	23	-
Prepayments and accrued income	532	608
	2,632	1,514

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

14. CREDITORS:

Amounts falling due within one year

	2015	2014
	£000	£000
Bank loans and overdrafts	949	1,774
Trade creditors	1,392	1,096
Other taxation and social security	1,289	592
Other creditors	14	70
Accruals and deferred income	3,176	3,416
	<u>6,820</u>	<u>6,948</u>

For details of security on bank loans and overdrafts see note 15.

15. CREDITORS:

Amounts falling due after more than one year

	2015	2014
	£000	£000
Bank loans	-	949
Amounts owed to parent company	40,114	31,225
Amounts owed to fellow subsidiary	1,231	1,181
Other loans	7,000	7,000
Grants received	3,589	3,695
Accruals and deferred income	96	96
	<u>52,030</u>	<u>44,146</u>

In the current year, an amount of £40,114,064 (2014: £31,225,010) is owed to Baton 2010 Limited, the parent company.

At 30 June 2015, Charlton Athletic Holdings Limited, a fellow subsidiary, was owed £1,230,619 (2014: £1,180,619). The amount due to fellow subsidiary Charlton Athletic Holdings Limited has no fixed repayment terms. Charlton Athletic Holdings Limited has confirmed that it does not intend to seek repayment of its debt within one year.

Other loans are loans from R A Murray and former directors of the company totalling £7,000,000 (2014: £7,000,000) which are interest free and repayments commence only on promotion of the football club to the Premier League.

At 30 June 2015 the company had the following bank loans:

- £451,271 at a floating rate of 2.5% above LIBOR base rate per annum
- £357,909 at a floating rate of 2.5% above LIBOR base rate per annum
- £140,000 at a floating rate of 3.0% above LIBOR base rate per annum

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

The loans are repayable by 31 December 2015 in instalments, repayments having commenced on 30 November 2011, as follows:

	2015 £000	2014 £000
Between one and two years	-	949
Between two and five years	-	-
	<hr/>	<hr/>
Within 1 year	949	949
	<hr/>	<hr/>
	949	1,774
	<hr/>	<hr/>
	949	2,723
	<hr/>	<hr/>

The bank loans and overdrafts are secured by fixed and floating charges over the assets of the company, its fellow subsidiary and parent company.

16. DEFERRED TAXATION

	2015 £000	2014 £000
At beginning and end of year	-	-
	<hr/>	<hr/>

The deferred taxation asset of £12,248,000 (2014: £12,380,000) has not been recognised in respect of timing differences relating to tax losses as there is insufficient evidence that this asset will be recovered. The asset will be recovered if there are taxable profits arising in the future.

17. SHARE CAPITAL

	2015 £000	2014 £000
Allotted, called up and fully paid		
4,982,564 Ordinary shares of £1 each	4,983	4,983
	<hr/>	<hr/>

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

18. RESERVES

	Revaluation reserve £000	Profit and loss account £000
At 1 July 2014	12,297	(32,297)
Loss for the financial year	-	(3,869)
	<u>12,297</u>	<u>(36,166)</u>
At 30 June 2015	<u>12,297</u>	<u>(36,166)</u>

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2015 £000	2014 £000
Opening shareholders' deficit	(15,017)	(9,299)
Loss for the financial year	(3,869)	(5,718)
	<u>(18,886)</u>	<u>(15,017)</u>
Closing shareholders' deficit	<u>(18,886)</u>	<u>(15,017)</u>

20. CONTINGENT LIABILITIES AND ASSETS

Additional transfer and agent fees of £1,729,607 (2014: £382,500) will become payable depending on players making specific numbers of appearances, gaining international honours and on-field playing success.

Additional fees are receivable of £6,245,000 (2014: £2,965,000) where players sold make specific numbers of appearances, gain international honours or achieve on-field success.

The company has guaranteed the bank overdrafts of its parent company and fellow subsidiary. At the year end the liability was £nil (2014: £nil).

21. OPERATING LEASE COMMITMENTS

At 30 June 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £000	2014 £000	Other 2015 £000	2014 £000
Expiry date:				
Within 1 year	-	-	116	80
Between 2 and 5 years	50	50	56	114
After more than 5 years	13	13	-	-
Total	<u>63</u>	<u>63</u>	<u>172</u>	<u>194</u>

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

22. RELATED PARTY TRANSACTIONS

During the year Charlton Athletic Holdings Limited, a fellow subsidiary, charged the company rent of £50,000 (2014: £50,000).

Staprix NV charged interest on loans in the period to CAFC at 3%, resulting in an interest charge of £388,024 (2014: £75,000).

During the year transactions took place between the company and certain directors in relation to match tickets and commercial packages. These transactions were on normal commercial terms and were not significant to any of the parties.

23. POST BALANCE SHEET EVENTS

Since the year end the disposal of players' registrations has generated income of £299,500.

In addition, transfer costs and agency fees totalling £2,580,877 were paid on the registration of new players.

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate holding company is Staprix NV, a company registered in Belgium, which is 95% owned by Roland Duchâtelet.

The company's immediate parent company is Baton 2010 Limited, a company registered in England which is the only company in the group required to prepare group financial statements. Copies of these are available at Companies House.