

No. 1788466

CHARLTON ATHLETIC FOOTBALL COMPANY (1984) LIMITED

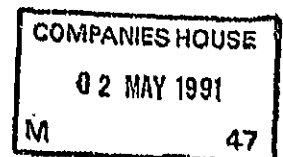
REPORT AND ACCOUNTS

31 MAY 1990

COMPANIES HOUSE COPY



Hacker Young
Chartered Accountants
St. Alphage House 2 Fore Street
London EC2Y 5DH





AUDITORS' REPORT TO THE MEMBERS OF
CHARLTON ATHLETIC FOOTBALL COMPANY (1984) LIMITED

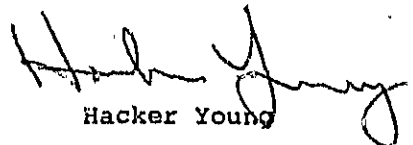
We have audited the accounts set out on pages 2 to 9 in accordance with Auditing Standards.

The accounts have been prepared on the going concern basis, assuming the availability of sufficient finance to enable the company to continue to trade.

Subject to the availability of sufficient finance, in our opinion the accounts give a true and fair view of the state of the company's affairs at 31 May 1990 and of the loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

26 March 1991


Hacker Young

Chartered Accountants

DIRECTORS' REPORT

The directors submit their report and the accounts of the company for the year ended 31 May 1990.

PRINCIPAL ACTIVITY

The company's principal activity during the period was that of a professional football league club.

REVIEW OF THE BUSINESS, RESULTS AND DIVIDENDS

During the period the club unfortunately failed to maintain its status in Division 1 of the Football League. The results as set out on page 2 show the high costs associated with First Division Football compared to the company's inability to maximise its revenue base due to its involvement in a ground sharing agreement.

The directors do not recommend the payment of a dividend.

In common with virtually all Football League Clubs, the company does not show the value of its playing staff in the balance sheet. However, the directors consider that at 31 May 1990 the playing staff had a valuation of not less than £4,000,000.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

R.N. Alwen
M.J. Norris
J.B. Sunley (resigned 4 December 1990)
R.D. Collins
D.G. Ufton

None of the directors held shares in the company during the year.

FIXED ASSETS

Details of movements in the fixed assets of the company are disclosed in the notes to the accounts.

AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint Messrs. Hacker Young as auditors until the conclusion of the next Annual General Meeting.

Registered office:

The Valley
Charlton
London SE7 8BL

By order of the board

C.C. Parker
C.C. Parker

Secretary

26 March 1991

CHARLTON ATHLETIC FOOTBALL COMPANY (1984) LIMITED

2

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1990

	Note	Year ended 31 May 1990	17 months ended 31 May 1989
TURNOVER	2	£1,776,086	£2,069,488
Staff costs	3	£1,438,861	£1,530,702
Administrative expenses		283,988	347,875
Other operating charges		733,978	734,247
		<hr/> (2,456,827) <hr/>	<hr/> (2,612,824) <hr/>
OPERATING LOSS		(680,741)	(543,336)
Financing charges	4	(61,606)	(15,950)
Transfer fees receivable less transfer fees payable		<hr/> 503,151 <hr/>	<hr/> (215,934) <hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	5	(239,196)	(775,220)
ACCUMULATED LOSS BROUGHT FORWARD		(3,428,147)	(2,652,927)
ACCUMULATED LOSS CARRIED FORWARD		<hr/> £(3,667,343) =====	<hr/> £(3,428,147) =====

The accompanying notes are an integral part of these accounts.

BALANCE SHEET AS AT 31 MAY 1990

	<u>Note</u>	<u>1990</u>	<u>1989</u>
TANGIBLE FIXED ASSETS	6	£ 77,918	£ 104,606
CURRENT ASSETS			
Stock	£	5,031	£ -
Debtors	7	560,945	190,072
Cash at bank and in hand		1,562	1,976
		<hr/> 567,538	<hr/> 192,048
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	1,100,451	669,468
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(532,913)	(477,420)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> (454,995)	<hr/> (372,814)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(2,862,348)	(2,705,333)
		<hr/>	<hr/>
NET LIABILITIES		£(3,317,343) =====	£(3,078,147) =====
CAPITAL AND RESERVES			
Called up share capital 11		£ 350,000	£ 350,000
Profit and loss account		(3,667,343)	(3,428,147)
SIGNED ON BEHALF OF THE BOARD			
R.N. ALWEN)		
M.J. NORRIS) DIRECTORS		
26 March 1991)		
		<hr/> £(3,317,343) =====	<hr/> £(3,078,147) =====

The accompanying notes are an integral part of these accounts.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 MAY 1990

	Year ended 31 May 1990	17 months ended 31 May 1989
SOURCE OF FUNDS		
Loss on ordinary activities before taxation	(239,196)	(775,220)
Adjustment for items not involving the movement of funds:		
Depreciation	46,340	42,706
Total absorbed by operations	(192,856)	(732,514)
FUNDS FROM OTHER SOURCES		
Unsecured loans	161,355	425,000
Obligations under finance leases	19,300	80,208
	(12,201)	(227,306)
APPLICATION OF FUNDS		
Purchase of fixed assets	(19,652)	(92,559)
Finance lease repayments	(17,326)	(16,408)
	£ (49,179)	£ (336,273)
	=====	=====
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stock	£ 5,031	£ -
Debtors	370,873	38,676
Creditors	(126,869)	(268,542)
	253,035	(229,866)
MOVEMENT IN NET LIQUID FUNDS:		
Cash balance	(414)	(57,869)
Bank overdraft	(297,800)	(48,538)
	£ (49,179)	£ (336,273)
	=====	=====

The accompanying notes are an integral part of these accounts.

NOTES TO THE ACCOUNTS - 31 MAY 1990

1. ACCOUNTING POLICIES

a) BASIS OF PREPARATION

The accounts are prepared in accordance with the historical cost convention.

b) TURNOVER

Turnover represents receipts from match days, the Football League, the Football Association and is stated net of value added tax.

c) DEPRECIATION

Depreciation is provided using the straight line method, to write down the cost of tangible fixed assets over their estimated useful lives as follows:

Offices	5 years
Machinery, equipment, furniture and fittings	5 years
Motor vehicles	3 years

d) SPONSORSHIP

Where the club has signed sponsorship agreements for set periods the credit for the income arising from the agreement is taken on a time basis spread over the life of the agreement except where the agreement specifies otherwise.

e) TRANSFER FEES

Transfer fees payable and receivable are charged or credited to the profit and loss account in the year in which the contracts are signed.

f) DEFERRED TAXATION

Provision is made for deferred taxation, using the liability method, on all material timing differences which are not expected to continue for the foreseeable future.

g) LEASING AND HIRE PURCHASE COMMITMENTS

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the agreements is charged to the profit and loss account over the period of the contracts and represents a constant proportion of the balance of capital repayments outstanding.

NOTES TO THE ACCOUNTS - 31 MAY 1990

(CONTINUED)

2. TURNOVER

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

	Year ended 31 May 1990	17 months ended 31 May 1989
Match receipts	£1,075,600	£1,278,246
Advertising and sponsorship receipts	138,039	146,474
Receipts from Football League and Football Association	308,860	313,310
Profit on sale of programmes	38,769	69,572
Other income	254,818	261,886
	<u>£1,776,086</u>	<u>£2,069,488</u>
	=====	=====

3. STAFF COSTS

a) Staff costs

Wages and salaries	£1,235,008	£1,327,549
Social security costs	127,728	129,229
Other pension costs	76,125	73,924
	<u>£1,438,861</u>	<u>£1,530,702</u>
	=====	=====

b) Average number of employees:

	<u>Number</u>	<u>Number</u>
Full-time playing staff and apprentices	40	37
Other staff	21	18
	<u>61</u>	<u>55</u>
	=====	=====

c) Higher paid employees

Employees of the company, other than directors, received remuneration, excluding pension contributions, in the following ranges:

	<u>Number</u>	<u>Number</u>
£30,001 to £35,000	5	-
£35,000 to £40,000	-	1
£40,001 to £45,000	1	8
£45,001 to £50,000	2	3
£50,001 to £55,000	2	2
£55,001 to £60,000	2	-
£60,001 to £65,000	-	1
£65,001 to £70,000	2	1
£70,001 to £75,000	1	-
£80,001 to £85,000	1	1
	=====	=====

NOTES TO THE ACCOUNTS - 31 MAY 1990

(CONTINUED)

4. FINANCING CHARGES

	Year ended 31 May 1990	17 months ended 31 May 1989
Interest on bank overdraft	£ 52,345	£ 14,544
Interest under finance leases	10,055	4,785
	<hr/>	<hr/>
	62,400	19,329
Interest receivable	(794)	(3,379)
	<hr/>	<hr/>
	£ 61,606	£ 15,950
	=====	=====

5. LOSS ON ORDINARY ACTIVITIES

The loss on ordinary activities before taxation
is stated after charging:

Auditors' remuneration	£ 13,000	£ 12,000
Depreciation	46,340	42,706
	=====	=====

6. TANGIBLE FIXED ASSETS

	Leasehold premises	Offices	Machinery equipment, furniture & fittings	Motor vehicles	Total
COST					
At 1 June 1989	£ 55,000	£ 33,238	£ 53,591	£ 97,727	£ 239,556
Additions	-	-	352	19,300	19,652
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 1990	£ 55,000	£ 33,238	£ 53,943	£ 117,027	£ 259,208
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1 June 1989	£ 55,000	£ 21,629	£ 33,871	£ 24,450	£ 134,950
Charge for period	-	6,648	7,625	32,067	46,340
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 1990	£ 55,000	£ 28,277	£ 41,496	£ 56,517	£ 181,290
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NET BOOK VALUE

At 31 May 1990	£ -	£ 4,961	£ 12,447	£ 60,510	£ 77,918
	=====	=====	=====	=====	=====
At 31 May 1989	£ -	£ 11,609	£ 19,720	£ 73,277	£ 104,606
	=====	=====	=====	=====	=====

The net book value of assets held under finance leases at 31 May 1990
was £60,510 (1989 - £73,277).

NOTES TO THE ACCOUNTS - 31 MAY 1990

(CONTINUED)

7. DEBTORS

	<u>1990</u>	<u>1989</u>
Trade debtors	£ 139,879	£ 44,336
Other debtors	391,456	129,011
Prepayments and accrued income	29,610	16,725
	<hr/>	<hr/>
	£ 560,945	£ 190,072
	=====	=====

Other debtors include £45,449 (1989 - £17,949) which is not scheduled for repayment within one year.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank overdraft	£ 346,338	£ 48,538
Obligations under finance leases (note 10)	19,705	13,391
Trade creditors	392,246	158,089
Other taxes and social security payments	95,849	137,136
Accruals and deferred income	140,458	195,969
Other creditors	105,855	116,345
	<hr/>	<hr/>
	£1,100,451	£ 669,468
	=====	=====

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Amount due to companies controlled by directors (see note 9(a) below)	£1,635,424	£1,635,424
Unsecured loans from directors (see note 9(b) below)	1,180,855	1,019,500
Obligations under finance leases (note 10)	46,069	50,409
	<hr/>	<hr/>
	£2,862,348	£2,705,333
	=====	=====

(a) This relates to amounts due to companies controlled by R.N. Alwen and M.J. Norris who are both directors of Charlton Athletic Football Company (1984) Limited. These amounts are interest free and repayable on demand. However the directors concerned have indicated that they do not intend to seek repayment before 31 March 1992.

(b) The unsecured loans are interest free and repayable on demand. However, the directors holding them have indicated that they do not intend to seek repayment before 31 March 1992.

NOTES TO THE ACCOUNTS - 31 MAY 1990

(CONTINUED)

10. OBLIGATIONS UNDER FINANCE LEASES

The future minimum lease payments to which the company is committed under finance leases are as follows:

	<u>1990</u>	<u>1989</u>
Within one year	£ 28,181	£ 22,400
Between one to two years	44,393	22,400
Between two to five years	9,963	38,613
	<hr/>	<hr/>
	82,537	83,413
Interest included above	(16,763)	(19,613)
	<hr/>	<hr/>
	£ 65,774	£ 63,800
	=====	=====
 Obligations payable within one year	 £ 19,705	 £ 13,394
Obligations payable after more than one year	46,069	50,409
	<hr/>	<hr/>
	£ 65,774	£ 63,800
	=====	=====

11. CALLED UP SHARE CAPITAL

	<u>1990</u>	<u>1989</u>
Authorised, issued and fully paid: 350,000 shares of £1 each	£ 350,000	£ 350,000
	=====	=====