

COMPANIES HOUSE COPY

CHARLTON ATHLETIC HOLDINGS LIMITED

Company registration number 2689249

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2007

NUNN HAYWARD

Chartered Accountants

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CHARLTON ATHLETIC HOLDINGS LIMITED

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FOR THE YEAR ENDED 30 JUNE 2007

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CHARLTON ATHLETIC HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present herewith their annual report together with the audited financial statements of the Company for the year ended 30 June 2007

Principal Activity

The Company's principal activity is property investment

Results and Dividends

The loss for the year after taxation was £48,952

The directors do not recommend the payment of a dividend

Directors and their Interests

The directors who served during the year were as follows

R N Alwen
G P Bone
N E Capelin
R D Collins
G B C Franklin
D J Hughes
R A Murray
M A Simons
M C Stevens
D C Summers
D G Ufton
P D Varney
R C Whitehand

G P Bone resigned as a director on 8 October 2007

No director held any beneficial interest in the share capital of the Company at 30 June 2007. The interest of the directors in the share capital of the parent company are disclosed in the financial statements of that Company other than those shown below

	Ordinary shares of 50p each	
	30 June 2007	30 June 2006
R N Alwen	300,776	300,776
G P Bone	554,894	554,894
N E Capelin	6,500	6,500
R D Collins	200,000	200,000
D J Hughes	2,083,923	2,083,923
D G Ufton	-	-
P D Varney	39,089	39,089

CHARLTON ATHLETIC HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities

The directors are responsible for preparing 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 which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records which 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 1985. 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

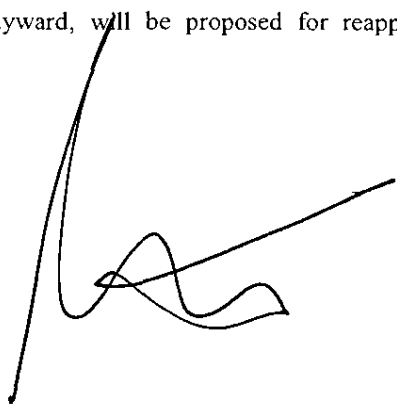
The directors confirm, so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

The auditors, Nunn Hayward, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985

By order of the Board

Nigel Capelin
Director



Registered Office The Valley
Floyd Road
London SE7 8BL

26 November 2007

CHARLTON ATHLETIC HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHARLTON ATHLETIC HOLDINGS LIMITED

We have audited the financial statements of Charlton Athletic Holdings Limited for the year ended 30 June 2007 set out on pages 4 to 10, which have been prepared under the accounting policies set out therein

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements. We also report to you if in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the affairs of the Company as at 30 June 2007 and of the results of the Company for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.


NUNN HAYWARD

Chartered Accountants

Registered Auditor

66-70 Coombe Road

New Malden

Surrey

KT3 4QW

26 November 2007

CHARLTON ATHLETIC HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 £	2006 £
Rent receivable		158,800	155,500
Administrative expenses	2	(16,492)	(36,928)
		<hr/>	<hr/>
Operating profit		142,308	118,572
Interest payable	3	(191,260)	(149,676)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(48,952)	(31,104)
Taxation	4	-	-
		<hr/>	<hr/>
Loss for the financial year	10	£(48,952)	£(31,104)
		<hr/>	<hr/>

All amounts derive from continuing operations

There were no recognised gains and losses other than the loss for the years as stated above and therefore no statement of recognised gains and losses has been presented

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

The accompanying notes form part of these financial statements

CHARLTON ATHLETIC HOLDINGS LIMITED

BALANCE SHEET AT 30 JUNE 2007

	Notes	2007 £	2006 £
Tangible fixed assets	5	7,072,250	7,086,125
Current assets			
Debtors	6	67,011	576
Cash at bank and in hand		8,236	8,236
		<u>75,247</u>	<u>8,812</u>
Creditors Amounts falling due within one year	7	(5,000)	(8,120)
		<u></u>	<u></u>
Net current assets		70,247	692
Total assets less current liabilities		<u>7,142,497</u>	<u>7,086,817</u>
Creditors Amounts falling due after more than one year	8	(2,731,109)	(2,626,477)
		<u></u>	<u></u>
Net assets		<u>£4,411,388</u>	<u>£4,460,340</u>
Capital and reserves			
Called up share capital	9	150	150
Profit and loss account	10	(59,016)	(10,064)
Revaluation reserve	10	4,470,254	4,470,254
		<u></u>	<u></u>
Equity shareholders' funds	11	<u>£4,411,388</u>	<u>£4,460,340</u>

These financial statements were approved by the board of directors on 26 November 2007

Signed on behalf of the board of directors

Richard Murray
Director

The accompanying notes form part of these financial statements

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

1 Accounting policies

The principal accounting policies, which have been consistently applied are as follows

1.1 Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, as modified by the revaluation of freehold properties

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the Company in its own published consolidated financial statements. As the Company is a wholly owned subsidiary of Charlton Athletic plc the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Charlton Athletic plc within which the Company is included can be obtained from the address in note 16

1.2 Revaluation of properties

Freehold properties are fully revalued every five years with an interim valuation carried out three years into every five year period. Freehold properties are carried at existing use value

1.3 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

Freehold land	nil
Freehold buildings	2%
Freehold improvements	10%

2 Administrative expenses

	2007	2006
	£	£
Auditors' remuneration - audit	2,000	2,000
- non audit services	500	500
Depreciation	13,875	13,875
Other operating charges	117	20,553
	<hr/>	<hr/>
	£16,492	£36,928
	<hr/>	<hr/>

3. Interest payable

	2007	2006
	£	£
Interest on loan from parent company	191,260	£149,676
	<hr/>	<hr/>

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

4. Taxation on ordinary activities

4 1 Analysis of tax charge on ordinary activities

	2007	2006
	£	£
Tax charge	-	-

4 2 Factors affecting the tax charge for the year

	2007	2006
	£	£
Loss on ordinary activities before taxation	(48,952)	(31,104)
Loss on ordinary activities before taxation at the standard rate of UK corporation tax of 30% (2006 -30%)	(14,685)	(9,331)

Factors affecting charge

Expenses not deductible for tax purposes	4,069	10,109
Non taxable income	-	-
Depreciation in excess of/(less than)capital allowances	34	14
Utilisation of tax losses	10,582	(792)

Current tax charge

-

5 Tangible fixed assets

	Freehold land and buildings
	£
Cost or valuation	
At 1 July 2006	7,100,000
Additions	-
At 30 June 2007	7,100,000
Depreciation	
At 1 July 2006	13,875
Charge for year	13,875
At 30 June 2007	27,750
Net book value	
At 30 June 2007	7,072,250
At 30 June 2006	7,086,125

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

5 Tangible fixed assets (continued)

Freehold properties were valued as at 30 June 2005 by Latham Yeomans, Chartered Surveyors, on the basis of existing use value

The original cost of freehold land and buildings amounts to £2,671,371 (2006 - £2,671,371)

6 Debtors

	2007	2006
	£	£
Amounts owed by group undertakings	65,635	-
Other debtors	576	576
Prepayments and accrued income	800	-
	<u>£67,011</u>	<u>£576</u>

7 Creditors: Amounts falling due within one year

	2007	2006
	£	£
Social security and other taxes	-	770
Other creditors	-	2,350
Accruals and deferred income	5,000	5,000
	<u>£5,000</u>	<u>£8,120</u>

8. Creditors: Amounts falling due after more than one year

	2007	2006
	£	£
Amounts owed to group undertakings	£2,731,109	£2,626,477

The amounts due to group undertakings have no fixed repayment terms. The parent Company has confirmed that it does not intend to seek repayment of its debt within one year

9. Called up share capital

	2007	2006
	£	£
Authorised		
1,000 ordinary shares of £1 each	£1,000	£1,000
Allotted, issued and fully paid		
150 ordinary shares of £1 each	£150	£150

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

10 Reserves

	Profit and loss account £	Revaluation reserve £
At 1 July 2006	(10,064)	4,470,254
Loss for year	(48,952)	-
	<hr/>	<hr/>
At 30 June 2007	(59,016)	4,470,254
	<hr/>	<hr/>

11 Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Shareholders' funds at 1 July 2006	4,460,340	4,491,444
Loss for the year	(48,952)	(31,104)
	<hr/>	<hr/>
Shareholders' funds at 30 June 2007	£4,411,388	£4,460,340
	<hr/>	<hr/>

12 Deferred taxation

	2007		2006	
	Provided £	Not provided £	Provided £	Not provided £
Accelerated capital allowances	-	289	-	323
Losses carried forward	-	(47,793)	-	(37,210)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	(47,504)	-	(36,887)
	<hr/>	<hr/>	<hr/>	<hr/>

The deferred taxation asset of £47,504 has not been recognised in respect of the 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 suitable profits arising in the future.

No liability for deferred taxation of £1,131,421 which would arise if the freehold properties were disposed of at the revalued amounts has been provided as there is no intention to dispose of the land for the foreseeable future.

13. Capital commitments

At 30 June 2007 the Company had no capital commitments (2006 - £nil)

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007 (CONTINUED)

14 Contingent liabilities

The Company has guaranteed the bank overdrafts, loans and certain leasing commitments of its fellow subsidiary and parent company. At 30 June 2007 these amounted to £17,914,797 (2006 - £8,713,001). The amounts owed are secured by a fixed and floating charge over the Company's assets.

In addition to the loans disclosed in Note 15 further loans amounting to £2,000,000 have been made to the parent company and remained outstanding at 30 June 2007. These are secured by debentures over the Company's assets.

15. Related party transactions

During the year directors and related companies lent the following amounts to the Company's parent company. At 30 June 2007 these loans were still outstanding.

	£
Bolstrom Limited	1,100,000
R A Murray	900,000
D C Sumners	1,000,000
R C Whitehand	1,000,000
	<hr/>
	£4,000,000
	<hr/>

R A Murray is a director and shareholder of Bolstrom Limited.

These loans are secured by debentures over the Company's assets.

Advantage has been taken of the exemption under FRS 8 not to separately disclose transactions with the Company's parent company and fellow subsidiary on the grounds that the Company is a wholly owned subsidiary.

There were no other material transactions with related parties as defined by FRS 8 'Related Party Transactions'.

16 Ultimate parent company

The Company is a wholly owned subsidiary of Charlton Athletic plc, which is also the ultimate parent undertaking and controlling party and is incorporated in England. The consolidated accounts of this group are available to the public and can be obtained from The Valley, Floyd Road, Charlton, London, SE7 8BL.