

**COMPANIES HOUSE**  
**COPY**

**CHARLTON ATHLETIC HOLDINGS LIMITED**

Company registration number 02689249

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2010**

**NUNN HAYWARD**

**Chartered Accountants**

**TUESDAY**



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**COMPANIES HOUSE**

**CHARLTON ATHLETIC HOLDINGS LIMITED**

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**FOR THE YEAR ENDED 30 JUNE 2010**

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# CHARLTON ATHLETIC HOLDINGS LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

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The directors present herewith their annual report together with the audited financial statements of the Company for the year ended 30 June 2010

### Principal Activity

The Company's principal activity is property investment

### Business review and key performance indicators

The Company's rental income which derives from land owned was £144,800 (2009 - £144,800) The principal lessee is fellow subsidiary Charlton Athletic Football Company Limited

During the year the Company disposed of a freehold property for a book loss of £40,000 After taking this into account there was a loss for the year of £2,602 (2009 - profit £45,065)

### Principal risks and uncertainties

The principal risk facing the Company is the performance and divisional status of its principal lessee which is fellow subsidiary Charlton Athletic Football Company Limited This has a significant impact on the ability of the lessee to pay the rent owed

### Future developments and going concern

On 23 August 2010 the entire issued share capital of the Company was acquired by Baton 2010 Limited, a company controlled by R A Murray On this date the former parent company agreed to waive the outstanding debt due to it of £3,071,286 On 31 December 2010 CAFC Holdings Limited, a company incorporated in the British Virgin Islands, acquired a controlling interest in Baton 2010 Limited Following this acquisition, the directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future For this reason they continue to adopt the going concern basis in preparing the financial statements

### Dividends

The directors do not recommend the payment of a dividend

### Directors and their Interests

The following directors have held office since 1 July 2009

R N Alwen	(resigned 25 September 2009)
S Butler-Gallie	(appointed 25 September 2009 and resigned 31 December 2010)
N E Capelin	(resigned 04 December 2009)
D G Chappell	(resigned 23 August 2010)
R D Collins	(resigned 25 September 2009)
G B C Franklin	(resigned 25 September 2009)
R Hatter	(appointed 24 September 2009 and resigned 31 December 2010)
D J Hughes	(resigned 23 August 2010)
A Jimenez	(appointed 31 December 2010)
S Kavanagh	(appointed 23 August 2010)
R A Murray	
M A Simons	(resigned 21 September 2009)
M Slater	(appointed 31 December 2010)
M C Stevens	(resigned 25 September 2009)
D C Sumners	(resigned 23 August 2010)
D G Ufton	(resigned 25 September 2009)
P Varney	(appointed 31 December 2010)
S Waggott	(resigned 30 June 2010)
D White	(resigned 31 December 2010)
R C Whitehand	(resigned 23 August 2010)

# **CHARLTON ATHLETIC HOLDINGS LIMITED**

## **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 30 JUNE 2010**

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### **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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice).

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.

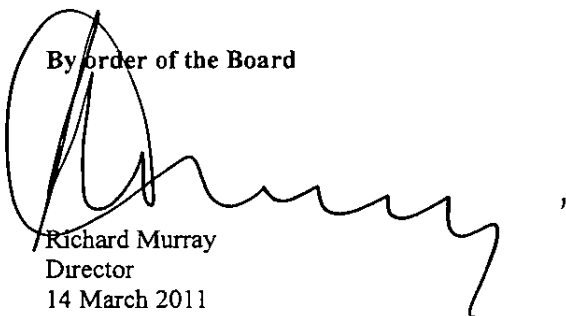
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors who held office at the date of approval of this directors' report confirm, so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware and 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**

A resolution for the reappointment of Nunn Hayward as auditors will be proposed at the forthcoming Annual General Meeting.

**By order of the Board**



Richard Murray  
Director  
14 March 2011

Registered Office The Valley  
Floyd Road  
London SE7 8BL

## **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 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 18. 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 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 explained in the statement of directors' responsibilities, set out in the directors' report 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 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 group and 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.

#### **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 2010 and of the results 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **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 by the Company or returns adequate for our audit have not been received from branches not visited by us, or
- the Company 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.



**Peter Hayward (Senior Statutory Auditor)**

**For and on behalf of Nunn Hayward**

**Chartered Accountants**

**Statutory Auditor**

66-70 Coombe Road

New Malden

Surrey

KT3 4QW

**CHARLTON ATHLETIC HOLDINGS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 JUNE 2010**

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	Notes	2010 £	2009 £
<b>Rent receivable</b>		144,800	144,800
Administrative expenses	2	(32,101)	(26,589)
		<hr/>	<hr/>
<b>Operating profit</b>		112,699	118,211
Loss on disposal of freehold property		(40,000)	-
		<hr/>	<hr/>
<b>Profit before finance charges</b>		72,699	118,211
Interest payable	3	(75,301)	(73,146)
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>		(2,602)	45,065
Taxation	4	-	-
		<hr/>	<hr/>
<b>(Loss)/profit for the financial year</b>	10	£(2,602)	£45,065
		<hr/>	<hr/>

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

There are no recognised gains and losses other than those passing through the profit and loss account

The accompanying notes form part of these financial statements

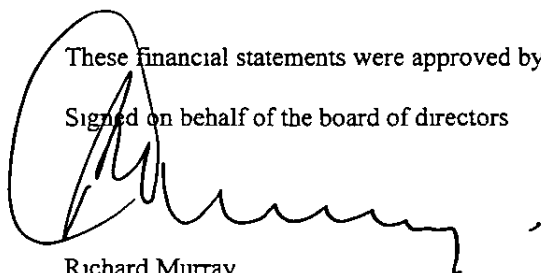
# CHARLTON ATHLETIC HOLDINGS LIMITED

## BALANCE SHEET AT 30 JUNE 2010

	Notes	£	2010 £	£	2009 £
<b>Tangible fixed assets</b>	5		5,810,000		5,910,000
<b>Current assets</b>					
Debtors					
due within one year	6	454		-	
due after one year	6	983,749		854,968	
Cash at bank and in hand		10,100		5,100	
			<u>994,303</u>	<u>860,068</u>	
<b>Creditors. Amounts falling due within one year</b>	7	(6,132)		(28,547)	
			<u>988,171</u>	<u>831,521</u>	
<b>Net current assets</b>					
			<u>6,798,171</u>	<u>6,741,521</u>	
<b>Total assets less current liabilities</b>					
<b>Creditors. Amounts falling due after more than one year</b>	8		(3,071,286)		(3,012,034)
			<u>£3,726,885</u>	<u>£3,729,487</u>	
<b>Net assets</b>					
<b>Capital and reserves</b>					
Called up share capital	9		150		150
Profit and loss account	10		(57,715)		73,073
Revaluation reserve	10		3,784,450		3,656,264
			<u>£3,726,885</u>	<u>£3,729,487</u>	
<b>Equity shareholders' funds</b>	11				
			<u>£3,726,885</u>	<u>£3,729,487</u>	

These financial statements were approved by the board of directors on 14 March 2011

Signed on behalf of the board of directors



Richard Murray  
Director

Company Registration Number 02689249

The accompanying notes form part of these financial statements

**CHARLTON ATHLETIC HOLDINGS LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2010**

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	Notes	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	12	(38,951)	4,834
Capital expenditure and financial investments			
Proceeds from sale of tangible fixed assets		60,000	-
		<hr/>	<hr/>
Net cash inflow		21,049	4,834
Financing activities			
Funding (to)/from parent company		(16,049)	166
		<hr/>	<hr/>
Increase in cash	12	5,000	5,000
		<hr/>	<hr/>

The accompanying notes form part of these financial statements



# CHARLTON ATHLETIC HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

### 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention, as modified by the revaluation of freehold properties

#### 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%

#### 1.4 Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted. Deferred taxation is not provided on timing differences arising from the revaluation of assets.

### 2. Administrative expenses

	2010	2009
	£	£
Auditors' remuneration - audit	2,000	2,000
- non audit services	600	900
Other operating charges	29,501	23,689
	<hr/>	<hr/>
	£32,101	£26,589

### 3. Interest payable

	2010	2009
	£	£
Interest on loan from parent company	£75,301	£73,146
	<hr/>	<hr/>

### 4. Taxation on ordinary activities

#### 4.1 Analysis of tax charge on ordinary activities

	2010	2009
	£	£
Tax charge	-	-
	<hr/>	<hr/>

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)

4 2 Factors affecting the tax charge for the year

	2010 £	2009 £
(Loss)/profit on ordinary activities before taxation	(2,602)	45,065
(Loss)/profit on ordinary activities before taxation at the standard rate of UK corporation tax of 28% (2009 - 28%)	(729)	12,618
<b>Factors affecting charge</b>		
Expenses not deductible for tax purposes	8,260	6,633
Capital loss	11,200	-
Group relief claimed	(18,731)	(19,251)
Current tax charge	-	-

5 Tangible fixed assets

	Freehold land and buildings £
Cost or valuation	
At 1 July 2009	5,910,000
Disposal	(100,000)
At 30 June 2010	5,810,000
Depreciation	
At 1 July 2009 and 30 June 2010	-
Net book value	
At 30 June 2010	£5,810,000
At 30 June 2009	£5,910,000

Freehold properties were valued as at 30 June 2008 by Latham Yeomans, Chartered Surveyors, on the basis of existing use value

The original cost of freehold land and buildings amounts to £2,025,550 (2009 - £2,253,736)

**CHARLTON ATHLETIC HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)**

**6. Debtors**

	2010	2009
	£	£
Amounts owed by fellow subsidiary	983,749	854,968
Other debtors	454	-
	<u>£984,203</u>	<u>£854,968</u>

Amounts owed by fellow subsidiary, Charlton Athletic Football Company Limited, of £983,749 (2009 £854,968) are not repayable within one year

**7. Creditors: Amounts falling due within one year**

	2010	2009
	£	£
Trade creditors	-	22,614
Other creditors	33	833
Accruals and deferred income	6,099	5,100
	<u>£6,132</u>	<u>£28,547</u>

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

	2010	2009
	£	£
Amounts owed to parent company	£3,071,286	£3,012,034

The amount due to CA 2010 plc (formerly Charlton Athletic plc) of £3,071,286 was waived on 23 August 2010

**9 Called up share capital**

	2010	2009
	£	£
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 2010 (CONTINUED)**

<b>10. Reserves</b>	<b>Profit and loss account</b>	<b>Revaluation reserve</b>
	<b>£</b>	<b>£</b>
At 1 July 2009	73,073	3,656,264
(Loss)/profit for the year	(2,602)	-
Realised revaluation deficit	(128,186)	128,186
	<hr/>	<hr/>
At 30 June 2010	£(57,715)	£3,784,450
	<hr/>	<hr/>
<b>11. Reconciliation of movement in shareholders' funds</b>		
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Shareholders' funds at 1 July 2009	3,729,487	3,684,422
(Loss)/profit for the year	(2,602)	45,065
	<hr/>	<hr/>
Shareholders' funds at 30 June 2010	£3,726,885	£3,729,487
	<hr/>	<hr/>
<b>12. Cash flow statement</b>		
<b>12.1 Operating activities</b>		
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating profit	112,699	118,211
(Increase) in debtors	(129,235)	(136,824)
(Decrease)/increase in creditors	(22,415)	23,447
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(38,951)	4,834
	<hr/>	<hr/>
<b>12.2 Reconciliation of net cash flow to movement in net debt</b>		
Increase in cash in year	5,000	
Cash outflow from decrease in debt	16,049	
	<hr/>	
Decrease in net debt resulting from cash flows	21,049	
Other non cash changes	(75,301)	
	<hr/>	
Increase in net debt during the year	(54,252)	
Net debt at 1 July 2009	(3,006,934)	
	<hr/>	
Net debt at 30 June 2010	(3,061,186)	
	<hr/>	

**CHARLTON ATHLETIC HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)**

**12.3 Analysis of movement in net debt**

	At 1 July 2009 £	Cash flow £	Other non-cash changes £	At 30 June 2010 £
Cash in hand	5,100	5,000		10,100
Debt due after one year				
Amounts owed to parent company	(3,012,034)	16,049	(75,301)	(3,071,286)
	<u>(3,006,934)</u>	<u>21,049</u>	<u>(75,301)</u>	<u>(3,061,186)</u>

**13 Deferred taxation**

	2010 Provided £	2010 Not provided £	2009 Provided £	2009 Not provided £
Accelerated capital allowances	-	-	-	-
Losses carried forward	-	(44,607)	-	(44,607)
	<u>-</u>	<u>(44,607)</u>	<u>-</u>	<u>(44,607)</u>

The deferred taxation asset of £44,607 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 £757,000 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.

**14 Capital commitments**

At 30 June 2010 the Company had no capital commitments (2009 - £nil)

# CHARLTON ATHLETIC HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)

### 15 Contingent liabilities

The Company has guaranteed the bank overdrafts and loans of its fellow subsidiary and parent company. At 30 June 2010 these amounted to £6,831,512 (2009 £6,841,100). The amounts owed are secured by a fixed and floating charge over the Company's assets.

The Company's parent company has £14,664,110 (2009 £14,664,110) of convertible secured corporate bonds issued which are secured by a fixed and floating charge over the Company's assets. On 23 August 2010 this security was released.

The Company's parent company has loans of £7,000,000 (2009 £1,700,000) from directors which were secured by a fixed and floating charge over the Company's assets. On 23 August 2010 these loans were novated to the fellow subsidiary, Charlton Athletic Football Company Limited.

### 16 Related party transactions

- 16.1 The following directors, related companies of the directors and family members of the directors of the Company held convertible secured corporate bonds by CA 2010 plc (formerly Charlton Athletic plc) at 30 June 2010 and 30 June 2009.

	£
Bolstrom Limited	504,222
D G Chappell	4,105,850
R Hatter	3,088,723
R A Murray	3,601,628
D C Sumners	1,000,000
R C Whitehand	1,713,687

These bonds were secured by fixed and floating charges over the Company's assets. On 5 August 2010 the bonds were converted into ordinary shares of CA 2010 plc (formerly Charlton Athletic plc) and the security has been released.

R A Murray is a director and shareholder of Bolstrom Limited. R Hatter is the son of Sir M Hatter who holds the bonds.

- 16.2 The following directors, related organisations of the directors and family members of the directors of the Company had the following loan transactions with CA 2010 plc (formerly Charlton Athletic plc).

	Loans at 1 July 2009	New loans	Loans 30 June 2010
D G Chappell	500,000	700,000	1,200,000
R Hatter	250,000	750,000	1,000,000
D J Hughes	-	500,000	500,000
R A Murray	450,000	2,150,000	2,600,000
D C Sumners	-	250,000	250,000
D White	-	250,000	250,000
56 Developments LLP	500,000	700,000	1,200,000
	<hr/> 1,700,000 <hr/>	<hr/> 5,300,000 <hr/>	<hr/> 7,000,000 <hr/>

# CHARLTON ATHLETIC HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)

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These loans are secured by fixed and floating charges over the Company's assets. On 23 August 2010 these loans were novated to Charlton Athletic Football Company Limited.

R C Whitehand is the controlling member of 56 Developments LLP. R Hatter is the son of Sir M Hatter who has made the loans.

- 16.3 During the year interest of £75,301 (2009 - £73,146) was payable to CA 2010 plc (formerly Charlton Athletic plc).

At 30 June 2010 £3,071,286 (2009 - £3,012,034) was owed to CA 2010 plc (formerly Charlton Athletic plc).

- 16.4 During the year rent of £139,000 (2009 - £139,000) was charged to fellow subsidiary Charlton Athletic Football Company Limited.

At 30 June 2010 £983,749 (2009 - £854,968) was owed by Charlton Athletic Football Company Limited.

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

**17. Post balance sheet events**

On 23 August 2010 the entire issued share capital of the Company was acquired by Baton 2010 Limited, a company controlled by R A Murray. On 31 December 2010 CAFC Holdings Limited, a company incorporated in the British Virgin Islands, acquired a controlling interest in Baton 2010 Limited.

On 23 August 2010, CA 2010 plc (formerly Charlton Athletic plc) waived the outstanding debt due to it of £3,071,286.

**18. Ultimate parent company**

The Company at 30 June 2010 was a wholly owned subsidiary of CA 2010 plc (formerly Charlton Athletic plc), which was also the ultimate parent undertaking and controlling party and is incorporated in England. On 23 August 2010 the entire issued share capital of the Company was acquired by Baton 2010 Limited, a company incorporated in England controlled by R A Murray by virtue of his shareholding. On 31 December 2010 CAFC Holdings Limited, a company incorporated in the British Virgin Islands, acquired a controlling interest in Baton 2010 Limited.