
CHARLTON ATHLETIC HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2021

CHARLTON ATHLETIC HOLDINGS LIMITED
REGISTERED NUMBER: 02689249

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	53,658,888	11,700,000
		<u>53,658,888</u>	<u>11,700,000</u>
Current assets			
Debtors: amounts falling due within one year	9	-	92,037
Cash at bank and in hand		535,334	8,061
		<u>535,334</u>	<u>100,098</u>
Creditors: amounts falling due within one year	10	(37,220)	(16,400)
Net current assets		<u>498,114</u>	<u>83,698</u>
Total assets less current liabilities		<u>54,157,002</u>	<u>11,783,698</u>
Creditors: amounts falling due after more than one year	11	(45,321,175)	-
Provisions for liabilities			
Deferred tax	12	(1,838,145)	(1,838,145)
		<u>(1,838,145)</u>	<u>(1,838,145)</u>
Net assets		<u><u>6,997,682</u></u>	<u><u>9,945,553</u></u>
Capital and reserves			
Called up share capital	13	150	150
Profit and loss account	14	6,997,532	9,945,403
		<u><u>6,997,682</u></u>	<u><u>9,945,553</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 June 2022.

L de Turck
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. General information

Charlton Athletic Holdings Limited is a private company limited by shares and incorporated in England. The address of the registered office is The Valley, Floyd Road, London, SE7 8BL.

The company's principal activity is that of property investment.

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 Section 1A of 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 Company has taken advantage of exemptions, provided by FRS 102, from preparing a statement of cash flows, as part of these financial statements. These exemptions are available to the Company on the basis that it is a qualifying company by virtue of it being a member of a group where the parent undertaking of the group prepares publicly available consolidated financial statements which are intended to give it a true and fair view, and in which the Company is included as part of the consolidation. The parent of the group in which the financial statements will be consolidated is Baton 2010 Limited.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue represents rental income relating to the land on which the Valley Stadium and the Sparrows Lane training ground complex are situated and is stated net of value added tax. Income is recognised over the period of the lease agreement.

2.3 Tangible fixed assets

Freehold buildings comprise the Valley Stadium and the Sparrows Lane training ground. Freehold buildings are initially recognised at cost. Other costs include leasehold improvements, interior fit outs to the stadium and training ground which are initially recognised at cost.

After recognition, under the revaluation model, freehold buildings are carried at fair value determined with sufficient regularity so to ensure that the carrying value does not differ materially from that which would be determined using fair value at the end of each reporting period. Such fair values are determined every five years using the depreciated replacement cost approach because the specialised nature of the asset means that there are no market transactions of this type of asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.3 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:

Leasehold improvements	-
	7%
Interior fit outs	-
	10 - 20%

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.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

2.7 Creditors

Short term creditors are measured at the transaction price.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised through profit or loss, except that a change 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 reporting date in the countries where the Company operates and generates income.

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 provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is not 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Going concern

The Company meets its day to day liabilities using funding from its ultimate parent company, Staprix NV. The board of directors has reviewed the future cash flow projections of the company and in their opinion, 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, due to receiving a letter of support from Staprix NV for this period. Accordingly the financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following are the Company's key sources of estimation uncertainty:

Depreciation of tangible fixed assets

Tangible fixed assets are depreciated over their useful life taking into account residual value where appropriate. The actual useful lives of the assets and residual values may vary depending upon a number of factors, including technological innovation and maintenance programmes.

4. Turnover

The whole of the turnover is attributable to property investment and rental income in relation to this property.

All turnover arose within the United Kingdom.

5. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £3,800 (2020 - £3,500).

6. Staff costs

The average monthly number of employees, including directors, during the year was 2 (2020 - 2).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

7. Taxation

	2021 £	2020 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(2,947,871)	(1,367,481)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(560,095)	(259,821)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	275,617
Depreciation for year in excess of capital allowances	434,695	-
Unrelieved tax losses carried forward	125,400	-
Group relief	-	(15,796)
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

8. Tangible fixed assets

	Freehold property £	Leasehold improvements £	Total £
Cost or valuation			
At 1 July 2020	11,700,000	-	11,700,000
Additions	-	44,246,758	44,246,758
At 30 June 2021	11,700,000	44,246,758	55,946,758
Depreciation			
Charge for the year on owned assets	-	2,287,870	2,287,870
At 30 June 2021	-	2,287,870	2,287,870
Net book value			
At 30 June 2021	11,700,000	41,958,888	53,658,888
At 30 June 2020	11,700,000	-	11,700,000

The freehold properties were valued at 30 June 2021 by the directors on an open market value for existing use basis.

The leasehold improvement assets acquired in the year were previously owned by the former group undertaking Charlton Athletic Football Company Limited. The assets were transferred to Charlton Athletic Holdings Limited as consideration for a deed of waiver and release of Charlton Athletic Football Company Limited's obligations to Staprix NV.

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

9. Debtors

	2021 £	2020 £
Trade debtors	-	56,400
Prepayments and accrued income	-	35,637
	<u>-</u>	<u>92,037</u>

10. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	-	9,400
Accruals and deferred income	37,220	7,000
	<u>37,220</u>	<u>16,400</u>

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

	2021 £	2020 £
Amounts owed to ultimate parent company	45,321,175	-
	<u>45,321,175</u>	<u>-</u>

12. Deferred taxation

	2021 £
At beginning of year	(1,838,145)
At end of year	<u>(1,838,145)</u>

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

12. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Revaluation of tangible fixed assets	(1,838,145)	(1,838,145)
	<u>(1,838,145)</u>	<u>(1,838,145)</u>

13. Share capital

	2021 £	2020 £
Allotted and fully paid		
150 (2020 - 150) Ordinary shares of £1.00 each	<u>150</u>	<u>150</u>

14. Reserves

Profit and loss account

Included within the profit and loss account is £7,836,305 (2020: £7,836,305) relating to revaluation of freehold property. This amount is non-distributable. The amount is stated net of a provision for deferred tax of £1,838,145 (2020: £1,838,145).

15. Contingent liabilities

There are fixed and floating charges over the Company's assets in relation to loans made to the former group undertaking, Charlton Athletic Football Company Limited, by former directors of that company.

16. Related party transactions

Staprix NV charged interest on loans in the period resulting in an interest charge of £1,074,417 (2020: £Nil). At the year end the company owed Staprix NV £45,321,175 (2020: £Nil).

17. 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 financial statements are available from Companies House.

CHARLTON ATHLETIC HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

18. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2021 was unqualified.

The audit report was signed on 13 June 2022 by Richard Paul (Senior Statutory Auditor) on behalf of Nyman Libson Paul LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.