
CHARLTON ATHLETIC HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2020

CHARLTON ATHLETIC HOLDINGS LIMITED
REGISTERED NUMBER: 02689249

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Investment property	7	11,700,000	11,700,000
		<u>11,700,000</u>	<u>11,700,000</u>
Current assets			
Debtors: amounts falling due within one year	8	92,037	1,450,618
Cash at bank and in hand		8,061	4,061
		<u>100,098</u>	<u>1,454,679</u>
Creditors: amounts falling due within one year	9	(16,400)	(3,500)
Net current assets		<u>83,698</u>	<u>1,451,179</u>
Total assets less current liabilities		<u>11,783,698</u>	<u>13,151,179</u>
Provisions for liabilities			
Deferred tax	10	(1,838,145)	(1,838,145)
		<u>(1,838,145)</u>	<u>(1,838,145)</u>
Net assets		<u><u>9,945,553</u></u>	<u><u>11,313,034</u></u>
Capital and reserves			
Called up share capital	11	150	150
Profit and loss account	12	9,945,403	11,312,884
		<u><u>9,945,553</u></u>	<u><u>11,313,034</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 30 June 2021.

R Duchâtelet
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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 disclosing financial instruments and 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 Investment property

Property comprises the land on which the Valley Stadium is situated and the land at the Sparrows Lane Training Ground Complex. This property has been reclassified as investment property in accordance with the requirements of Financial Reporting Standard 102.

Investment property is carried at fair value determined annually by external valuers and derived 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 except as part of the business or entity. No depreciation is provided. Changes in fair value are recognised through profit or loss in accordance with the requirements of Financial Reporting Standard 102.

2.4 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

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 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.

2.9 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 2020

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:

Revaluation of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised through profit or loss. The Company engaged independent valuation specialists, Cushman and Wakefield, to determine fair value at 30 June 2016, and the directors do not consider that there have been any material changes to this valuation at 30 June 2020.

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**

Auditors' remuneration costs are borne by the parent company in the current year and by the former fellow subsidiary company, Charlton Athletic Football Company Limited, in the prior year.

6. **Taxation**

	2020 £	2019 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

NOTES TO THE FINANCIAL STATEMENTS
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6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(1,367,481)</u>	<u>54,000</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(259,821)	10,260
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	275,617	-
Group relief	<u>(15,796)</u>	<u>(10,260)</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Investment property

	Freehold investment property £
Valuation	
At 1 July 2019	<u>11,700,000</u>
At 30 June 2020	<u>11,700,000</u>

The 2020 valuations were made by the directors, on an open market value for existing use basis.

The 2016 valuations were performed by an independent valuation specialist.

CHARLTON ATHLETIC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

8. Debtors

	2020 £	2019 £
Trade debtors	56,400	-
Amounts owed by group undertakings	-	1,450,618
Prepayments and accrued income	35,637	-
	<u>92,037</u>	<u>1,450,618</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	9,400	-
Accruals and deferred income	7,000	3,500
	<u>16,400</u>	<u>3,500</u>

10. Deferred taxation

	2020 £	2019 £
At beginning of year	(1,838,145)	(1,838,145)
At end of year	<u>(1,838,145)</u>	<u>(1,838,145)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Revaluation of freehold investment property	(1,838,145)	(1,838,145)
	<u>(1,838,145)</u>	<u>(1,838,145)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

11. Share capital

	2020 £	2019 £
Allotted and fully paid		
150 (2019 - 150) Ordinary shares of £1.00 each	<u>150</u>	<u>150</u>

12. Reserves

Profit and loss account

Included within the profit and loss account is £7,836,305 (2019: £7,836,305) relating to revaluation of investment property. This amount is non-distributable. The amount is stated net of a provision for deferred tax of £1,838,145 (2019: £1,838,145).

13. 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.

14. Post balance sheet events

In September 2020, Charlton Athletic Football Company Limited transferred the short term leasehold assets held by the club to the Company in settlement of an outstanding liability to Staprix NV, the ultimate holding company. Deeds of variation were entered into by the Company and Charlton Athletic Football Company Limited to amend the existing lease agreements between the two companies to increase the rent payable by the club for the use of these assets.

15. Related party transactions

At the balance sheet date the Company was owed £Nil (2019: £1,450,618) by its former group undertaking, Charlton Athletic Football Company Limited. This balance was written off by the Company prior to the sale of Charlton Athletic Football Company Limited in January 2020.

There were no other related party transactions and/or period end balances to report in accordance with the UK Companies Act 2006 and Section 1A of Financial Reporting Standard 102 as part of these financial statements.

16. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

17. Auditors' information

The auditors' report on the financial statements for the year ended 30 June 2020 was unqualified.

The audit report was signed on 30 June 2021 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.