

Crystal Palace FC (2000) Limited

FINANCIAL STATEMENTS

for the year ended

30 June 2008

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COMPANIES HOUSE

Company number 3951645

Crystal Palace FC (2000) Limited

DIRECTORS AND OFFICERS

DIRECTORS

S Jordan Chairman
PJ Alexander
D Jordan
K Watts

SECRETARY

S Jordan

COMPANY NUMBER

3951645 (England and Wales)

REGISTERED OFFICE

Selhurst Park Stadium
Holmesdale Road
London SE25 6PU

BANKERS

Lloyds TSB Bank plc
140 Wharfedale Road
Winnersh Triangle
Reading
Berkshire RG41 5RB

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Lancaster House
7 Elmfield Road
Bromley
Kent BR1 1LT

Crystal Palace FC (2000) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Crystal Palace FC (2000) Limited for the year ended 30 June 2008.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the operation of a professional football club.

REVIEW OF THE BUSINESS

The Directors set key performance indicators to reflect a top six team challenging for promotion throughout the season. Unfortunately this did not manifest itself within the year, with the team narrowly missing out on promotion through the play offs. However due to strong trading in areas independent of the football results and certain disposals this has allowed the business to finish the year not significantly short of its original forecasts.

The Directors remain optimistic that the club will secure promotion to the Premier League in the near future.

FUTURE DEVELOPMENTS

Further investment has taken place and will continue to take place within the Academy and the directors and the shareholder see this investment as key, both, in terms of achieving success on the field of play, but also providing the ability to realise future tangible assets at the right time should the need arise.

In addition the club will continue to improve the playing squad through acquisitions and disposals as necessary to assist the process of obtaining promotion.

MONITORING AND MANAGING RISK

The club has two principal risks, one that it does not achieve promotion to the FA Premier League, and two that it is relegated from the FL Championship. The potential effect of either is planned for and monitored by the Board as part of its management business review.

The club's income streams are highly influenced by the performance of the team, affecting attendances and therefore ticket sales, both casual and seasonal. A significant proportion of the club's income is derived from sponsorship and commercial contracts which cover a variety of periods, all of which are monitored to minimise the impact of any adverse effects.

The club is regulated by the rules of the FA, the Football League and FIFA. Any changes to these regulations could have an impact on the club. The club monitors its compliance continuously.

As with all football clubs, there is a risk of significant or permanent injuries to players which could have an adverse effect on the players' value. The club maintains insurance covering career ending injuries.

Crystal Palace FC (2000) Limited

DIRECTORS' REPORT (Continued)

FINANCIAL INSTRUMENTS

The main financial risks arising from the company's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of credit risk is to require appropriate credit checks on the relevant parties before sales are made.

The company's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of long and short term debt finance and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. Debt is maintained at a mixture of fixed and floating rates.

EMPLOYEES

It is the company's policy to ensure that no employee or job applicant is treated less favourably than another on the grounds of religion, sexual orientation, disability, race, creed, colour, nationality, ethnic or national origins, sex or marital status.

Applications for employment by disabled persons are always fully considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Continued close attention is paid to the health and safety of employees while at work and all employees are provided with appropriate training.

MARKET VALUE OF INTANGIBLE FIXED ASSETS

The value of the playing squad, valued under the historical cost convention and in compliance with the rules of FRS 10, is £3m. It is the directors' opinion that the current market value of the playing squad is approximately £23.5m.

RESULTS

The loss for the year after taxation was £8.1m. The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have served since 1 July 2007:

S Jordan
PJ Alexander
D Jordan
K Watts
M Thickbroom (resigned 14th August 2007)

Crystal Palace FC (2000) Limited

DIRECTORS' REPORT (Continued)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

Approved by the board of directors and signed on its behalf



D Jordan
Director

Crystal Palace FC (2000) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 requirements of 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.

Crystal Palace FC (2000) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRYSTAL PALACE FC (2000) LIMITED

We have audited the financial statements of Crystal Palace FC (2000) Limited for the year ended 30 June 2008 which comprise the profit and loss account, balance sheet, cash flow statement and the related notes. These financial statements 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 directors and auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant 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 also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition we 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 company's circumstances, 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

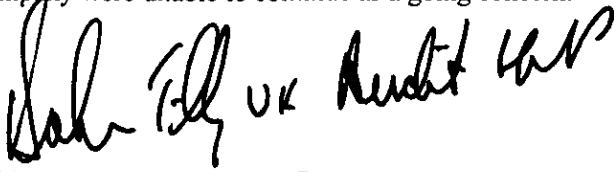
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 June 2008 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Crystal Palace FC (2000) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CRYSTAL PALACE FC (2000) LIMITED (Continued)

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures and assumptions made on page 11 to the financial statements concerning the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis which is dependent on the continued support of the ultimate controlling party. Our opinion is not qualified in this respect. The financial statements do not include any adjustments that would result if the company were unable to continue as a going concern.



BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
Bromley

30 April 2009

Crystal Palace FC (2000) Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2008

	<i>Notes</i>	2008 £	2007 £
TURNOVER	1	11,975,043	18,092,697
Operating expenses		(17,910,491)	(19,089,118)
		<hr/>	<hr/>
OPERATING LOSS BEFORE AMORTISATION OF PLAYERS' REGISTRATIONS		(5,935,448)	(996,421)
Amortisation of players' registrations	6	(2,926,891)	(3,542,259)
		<hr/>	<hr/>
OPERATING LOSS	2	(8,862,339)	(4,538,680)
Profit on disposal of players		1,652,724	2,781,811
		<hr/>	<hr/>
LOSS BEFORE INTEREST AND TAXATION		(7,209,615)	(1,756,869)
Interest payable	3	(906,837)	(732,441)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,116,452)	(2,489,310)
Taxation	5	-	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	15	(8,116,452)	(2,489,310)
		<hr/>	<hr/>

The operating loss for the year arises from the company's continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

The accompanying accounting policies and notes form an integral part of the financial statements.

Crystal Palace FC (2000) Limited

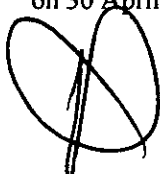
BALANCE SHEET

30 June 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Intangible assets	6	9,811,067	12,007,141
Tangible assets	7	1,193,777	1,381,153
Investments	8	6,122	23,410
		<u>11,010,966</u>	<u>13,411,704</u>
CURRENT ASSETS			
Stocks	9	166,723	231,199
Debtors	10	1,273,113	3,495,355
Deferred tax asset - due in more than one year	13	2,000,000	2,000,000
Cash at bank and in hand		55,032	206,195
		<u>3,494,868</u>	<u>5,932,749</u>
CREDITORS: Amounts falling due within one year	11	(17,148,898)	(17,908,791)
NET CURRENT LIABILITIES		<u>(13,654,030)</u>	<u>(11,976,042)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,643,064)</u>	<u>1,435,662</u>
CREDITORS: Amounts falling due in more than one year	12	8,581,183	4,543,457
CAPITAL AND RESERVES			
Called up share capital	14	10,175,000	10,175,000
Profit and loss account	15	(21,399,247)	(13,282,795)
SHAREHOLDERS' DEFICIT	16	(11,224,247)	(3,107,795)
		<u>(2,643,064)</u>	<u>1,435,662</u>

The accompanying accounting policies and notes form an integral part of the financial statements.

The financial statements on pages 8 to 22 were approved by the board, authorised for issue on 30 April 2009 and signed on its behalf by:



D Jordan
Director

Crystal Palace FC (2000) Limited

CASH FLOW STATEMENT for the year ended 30 June 2008

	Notes	2008 £	2007 £
Net cash outflow from operating activities	17a	(5,774,268)	(1,673,968)
Returns on investments and servicing of finance	17b	(906,837)	(732,430)
Capital expenditure and financial investment	17b	399,459	(1,261,223)
CASH (OUTFLOW) BEFORE FINANCING		(6,281,646)	(3,667,621)
Financing	17b	6,740,294	(861,604)
INCREASE/(DECREASE) IN CASH IN THE PERIOD		458,648	(4,529,225)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		£	£
Increase/(decrease) in cash in the period		458,648	(4,529,225)
Capital repayments on lease financing		148,048	43,332
Inception of finance leases		-	(55,000)
(Increase)/decrease in shareholder's loan		(342,551)	313,411
(Increase)/decrease in bank loans		(1,578,143)	381,835
(Increase)/decrease in other loans		(4,967,648)	123,026
MOVEMENT IN NET DEBT IN THE PERIOD		(6,281,646)	(3,722,621)
Net debt at 1 July 2007		(8,833,031)	(5,110,410)
Net debt at 30 June 2008	17c	(15,114,677)	(8,833,031)

The accompanying accounting policies and notes form an integral part of the financial statements.

Crystal Palace FC (2000) Limited

ACCOUNTING POLICIES

The following accounting policies have been applied consistently by the directors in both the current and preceding periods in dealing with items which are considered material in relation to the accounts.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The format of accounts has been adapted to conform with the normal presentation amongst football clubs.

GOING CONCERN

The financial statements are prepared on a going concern basis, notwithstanding the net current liabilities of £13,654,030, on the basis of the continuing financial support of the ultimate controlling party. The ultimate controlling party has confirmed his intention to continue to provide the existing facilities and in the event of any further requirements to use all reasonable endeavours to ensure that they are made available to the company for a period of at least 12 months following the adoption of the financial statements.

PLAYERS' TRANSFER FEES

Fees receivable from other football clubs on the transfer of players' registrations together with associated costs, are dealt with through the profit and loss account in the accounting period in which the agreement to transfer the player's registration takes place.

INTANGIBLE FIXED ASSETS

Players' registrations:

In accordance with Financial Reporting Standard 10, the costs of player registrations and renewals of player registrations are capitalised and amortised over the remaining period of the player's contract. Players' registrations are written down for impairment when the carrying value exceeds the amount recoverable through use or sale and the reduction in value is considered permanent. Signing on fees are accounted for as a prepayment and are amortised over the period of the player's contract.

Goodwill:

Goodwill which arose on the purchase of the business of Crystal Palace FC (1986) Limited is amortised over its estimated useful life of 50 years, based on the longevity of the football club which has held its centenary, and is the subject of an annual impairment review.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	over the lease term
Plant and machinery	over 5 years
Fixtures, fittings and equipment	over 5 years
Motor vehicles	over 4 years

GRANTS

Grants receivable from the Football Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. Deferred grant income represents total grants received less amounts credited to the profit and loss account.

Crystal Palace FC (2000) Limited

ACCOUNTING POLICIES

INVESTMENTS

Long-term investments are classified as fixed assets and are stated at cost subject to any impairment provision for a permanent diminution in value.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost represents the purchase price of goods for resale. Net realisable value is based upon estimated selling prices less further costs expected to be incurred. Provision is made for obsolete and slow moving items.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

A deferred tax asset is recognised only when, on the basis of available evidence, it can be regarded as more likely than not that the reversal of underlying timing differences will result in a reduction in future tax payments.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the fair value on inception of the leases. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

The company operates a defined contribution scheme. The costs of providing pensions for employees are charged in the profit and loss account in the period in which they become payable. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

TURNOVER

Turnover represents income receivable from football and related commercial activities, exclusive of VAT.

Gate receipts and other matchday revenue is recognised as the games are played. Revenue derived from season tickets is credited to income in the period to which it relates. Sponsorship, advertising and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst fees received for live coverage or highlights are taken when earned.

Crystal Palace FC (2000) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

1 TURNOVER

Turnover, which is all derived from the company's principal activity, arises wholly in the United Kingdom.

	2008 £	2007 £
2 OPERATING LOSS		
Operating loss is stated after charging/(crediting):		
Amortisation of goodwill	161,532	161,531
Amortisation of player registrations	2,926,891	3,542,259
Depreciation and amounts written off tangible fixed assets:		
Charge for the period:		
owned assets	399,703	312,611
leased assets	148,590	142,340
Operating lease rentals:		
Plant and machinery	27,000	29,369
Other leases	502,252	389,285
Auditors' remuneration		
Audit services	22,500	22,500
Non audit services	2,500	2,500
Grants released	-	(31,341)
Impairment of investments	17,288	70,611
	<hr/>	<hr/>
	2008 £	2007 £
3 INTEREST PAYABLE		
On bank loans and overdrafts	419,396	372,575
On finance leases	130,175	138,142
Other interest payable	357,266	221,724
	<hr/>	<hr/>
	906,837	732,441
	<hr/>	<hr/>

Crystal Palace FC (2000) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

4	EMPLOYEES	2008 No.	2007 No.
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Full time players, managers and coaches	74	74
	Full time administrative, commercial and stadium maintenance	86	83
	Full time employees	<u>160</u>	<u>157</u>
	In addition to the above the company employed an average of 386 (2007 – 349) match day staff during the year.		
		£	£
	Staff costs for the above persons:		
	Wages and salaries	10,530,785	12,058,063
	Social security costs	1,183,894	1,315,556
	Other pension costs	49,550	55,873
		<u>11,694,229</u>	<u>13,429,492</u>
		2008 £	2007 £
	DIRECTORS' REMUNERATION		
	Emoluments (including benefits in kind)	500,914	571,561
	Pension contributions	34,200	31,754
		<u>535,114</u>	<u>603,315</u>
	The number of directors to whom retirement benefits are accruing under money purchase pension schemes was:	3	3
	The directors' fees and other emoluments disclosed above include amounts paid to the highest paid director as follows:		
		£	£
	Emoluments (including benefits in kind)	192,406	192,594
	Pension contributions	23,100	21,000
		<u>215,506</u>	<u>213,594</u>

Crystal Palace FC (2000) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

5	TAXATION	2008 £	2007 £
	Based on the profit for the year:		
	UK corporation tax on profit for the year	-	-
	Current tax	-	-
	Deferred taxation:		
	Origination and reversal of timing differences (Note 13)	-	-
	Tax on profit on ordinary activities	-	-
	Factors affecting tax charge for the year:		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 29.5% (2007: 30%). The differences are explained below:		
	Profit on ordinary activities before tax	(8,116,452)	(2,489,310)
	Profit on ordinary activities multiplied by standard rate of UK corporation tax of 29.5% (2007: 30%)	(2,394,575)	(746,793)
	Effects of:		
	Expenses not deductible for tax purposes	106,263	56,611
	(Capital allowances)/depreciation in excess of (depreciation)/capital allowances	(25,862)	107,638
	Other short term timing differences	60,560	91,169
	Unutilised tax losses carried forward	2,253,614	491,375
		-	-

Crystal Palace FC (2000) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

6	INTANGIBLE FIXED ASSETS	<i>Goodwill</i>	<i>Players' Registrations</i>	<i>Total</i>
		£	£	£
	Cost			
	At 1 July 2007	8,076,530	11,780,035	19,856,565
	Additions	-	1,943,607	1,943,607
	Disposals	-	(4,129,316)	(4,129,316)
	At 30 June 2008	8,076,530	9,594,326	17,670,856
	Amortisation			
	At 1 July 2007	1,130,715	6,718,709	7,849,424
	Charge in the year	161,532	2,926,891	3,088,423
	Disposals	-	(3,078,058)	(3,078,058)
	At 30 June 2008	1,292,247	6,567,542	7,859,789
	Net book value			
	At 30 June 2008	6,784,283	3,026,784	9,811,067
	At 30 June 2007	6,945,815	5,061,326	12,007,141
7	TANGIBLE FIXED ASSETS	<i>Leasehold Improvements</i>	<i>Plant, fittings and equipment and motor vehicles</i>	<i>Total</i>
		£	£	£
	Cost			
	At 1 July 2007	1,699,139	1,502,789	3,201,928
	Additions	284,901	76,015	360,916
	At 30 June 2008	1,984,040	1,578,804	3,562,844
	Depreciation			
	At 1 July 2007	1,007,814	812,960	1,820,774
	Charge in the year	198,404	349,889	548,293
	At 30 June 2008	1,206,218	1,162,849	2,369,067
	Net book value			
	At 30 June 2008	777,822	415,955	1,193,777
	At 30 June 2007	691,324	689,829	1,381,153

Tangible fixed assets include assets with a net book value of £445,769 (2007: £569,359) held under finance leases or secured loans. Depreciation in the year on these assets was £148,590 (2007: £142,340).

Crystal Palace FC (2000) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

8	FIXED ASSETS INVESTMENTS		<i>Total</i> £
	At 1 July 2007		23,410
	Impairment		(17,288)
	30 June 2008		<u>6,122</u>
			£
	Listed investments at net book value include:		
	Investments listed on a recognised stock exchange		<u>6,122</u>
	Aggregate market value of listed investments		<u>6,122</u>
	Potential tax liability if realised at market value		<u>£Nil</u>
9	STOCKS	2008 £	2007 £
	Raw materials and consumables	70,452	71,755
	Goods for resale	96,271	159,444
		<u>166,723</u>	<u>231,199</u>
10	DEBTORS	2008 £	2007 £
	Due within one year:		
	Trade debtors	803,798	2,836,187
	Other debtors	246,316	442,723
	Prepayments and accrued income	222,999	216,445
		<u>1,273,113</u>	<u>3,495,355</u>

Crystal Palace FC (2000) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

	2008	2007
	£	£
11 CREDITORS: Amounts falling due within one year		
Bank loans and overdraft	7,876,098	6,117,744
Other loans	749,578	158,385
Trade creditors	3,045,991	4,423,974
Other taxation and social security costs	1,036,011	1,684,312
Other creditors	74,724	483,025
Accruals	859,035	1,527,781
Obligations under finance leases	385,307	339,477
Deferred income	3,122,154	3,174,093
	<u>17,148,898</u>	<u>17,908,791</u>

The bank loans and overdraft and the other loans are secured by guarantees from the Chairman and the holding company.

	2008	2007
	£	£
12 CREDITORS: Amounts falling due in more than one year		
Bank loans due within 5 years	-	790,022
Other loans	4,500,718	124,263
Obligations under finance leases (in the second to fifth year)	131,089	324,967
Other creditors	583,333	513,547
Deferred income	1,839,124	1,606,290
Shareholders loan	781,255	527,538
Accrued interest	745,664	656,830
	<u>8,581,183</u>	<u>4,543,457</u>
Amounts repayable by instalments falling due:		
In more than one but not more than two years	1,691,484	1,210,015
In more than two but not more than five years	3,523,656	542,784
Amounts repayable other than by instalments falling due after more than five years	1,526,919	1,184,368
Amounts not repayable by instalments	1,839,124	1,606,290
	<u>8,581,183</u>	<u>4,543,457</u>

All bank borrowings and other loans are secured by guarantees from the Chairman and the holding company. Included within other loans is a loan repayable over 4 years, first payment being due in June 2009 of £750,000, second due in June 2010 of £750,000, third of £1,000,000 in June 2011 and the final payment of £2,600,000 in June 2012

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13 DEFERRED TAX

			2008 £	2007 £
Deferred tax asset:				
Balance at 1 July and 30 June			2,000,000	2,000,000
	Year ended 30 June 2008	Year ended 30 June 2007		
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
The amounts provided for deferred tax are as follows:				
Tax credit in respect of accumulated losses	1,509,443	5,007,000	1,705,000	2,885,000
Excess of tax allowances over depreciation	171,000	-	195,000	-
Other short term timing differences	319,557	-	100,000	-
	<u>2,000,000</u>	<u>5,007,000</u>	<u>2,000,000</u>	<u>2,885,000</u>

A deferred tax asset has been recognised in respect of the losses carried forward and short term timing differences which would increase losses, to the extent that the directors consider the future availability of taxable profit against which to offset these losses is now sufficiently foreseeable on the basis of current financial projections.

		2008 £	2007 £
14 SHARE CAPITAL			
Authorised:			
20,000,000 ordinary shares of £1 each		20,000,000	20,000,000
Allotted, issued and fully paid:			
10,175,000 ordinary shares of £1 each		10,175,000	10,175,000
15 PROFIT AND LOSS ACCOUNT		2008 £	2007 £
Profit and loss reserve brought forward		(13,282,795)	(10,793,485)
Loss for the financial year		(8,116,452)	(2,489,310)
Profit and loss reserve carried forward		<u>(21,399,247)</u>	<u>(13,282,795)</u>

Crystal Palace FC (2000) Limited
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16	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT	2008 £	2007 £
	Loss for the year	(8,116,452)	(2,489,310)
	Opening shareholders' deficit	(3,107,795)	(618,485)
	Closing shareholders' deficit	<u>(11,224,247)</u>	<u>(3,107,795)</u>
17	CASH FLOWS	2008 £	2007 £
a	Reconciliation of operating loss to net cash flow from operating activities		
	Operating loss	(8,862,339)	(4,538,680)
	Amortisation of intangible fixed assets	3,088,423	3,703,790
	Depreciation	548,293	454,951
	Decrease/(increase) in stocks	64,475	(14,910)
	Decrease in debtors	2,222,242	1,538,365
	(Decrease) in creditors	(3,033,545)	(2,449,505)
	Increase/(decrease) in deferred income	180,895	(453,613)
	Loss on disposal of tangible fixed assets	-	15,023
	Loss on sale of investments	-	-
	Impairment of investments	17,288	70,611
	Net cash outflow from operating activities	<u>(5,774,268)</u>	<u>(1,673,968)</u>
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest paid	(776,662)	(594,288)
	Interest element of finance lease payments	(130,175)	(138,142)
	Net cash outflow for returns on investment and servicing of income	<u>(906,837)</u>	<u>(732,430)</u>
	Capital expenditure and financial investment		
	Purchase of intangible fixed assets	(1,943,607)	(4,806,283)
	Purchase of tangible fixed assets	(360,916)	(94,340)
	Sale of intangible fixed assets	2,703,982	3,639,400
	Net cash inflow/(outflow) for capital expenditure and financial investment	<u>399,459</u>	<u>(1,261,223)</u>

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17	CASH FLOWS <i>(continued)</i>	2008 £	2007 £
	Financing		
	(Decrease) in finance lease creditor	(148,048)	(43,332)
	Increase/(decrease) in other loans	4,967,648	(123,026)
	Increase/(decrease) in shareholder's loan	342,551	(313,411)
	Increase/(decrease) in bank loan	1,578,143	(381,835)
	Net cash inflow/(outflow) from financing	<u>6,740,294</u>	<u>(861,604)</u>

c	Analysis of net debt	At 30 June 2007 £	Cash flow £	Other non- cash changes £	At 30 June 2008 £
	Cash at bank and in hand	206,196	(151,164)	-	55,032
	Bank overdrafts	(5,735,910)	609,812	-	(5,126,098)
		<u>(5,529,714)</u>	<u>458,648</u>	<u>-</u>	<u>(5,071,066)</u>
	Debt due within one year	(540,220)	(2,959,358)	-	(3,499,578)
	Debt due after one year	(914,285)	(3,586,433)	-	(4,500,718)
	Finance leases	(664,444)	148,048	-	(516,396)
	Shareholder's loan	(1,184,368)	(342,551)	-	(1,526,919)
	Total	<u>(8,833,031)</u>	<u>(6,281,646)</u>	<u>-</u>	<u>(15,114,677)</u>

d Major non-cash transactions

There were no major non-cash transactions during the year ended 30 June 2008. During the prior year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £55,000.

18 CAPITAL COMMITMENTS

There were no commitments to purchase fixed assets at the year end.

19 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008 £	2007 £
Land and buildings:		
Expiring after five years	<u>1,444,312</u>	<u>320,240</u>

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20 TRANSFER FEES PAYABLE AND OTHER CONTINGENT LIABILITIES

Under the terms of certain contracts with other football clubs in respect of player transfers, additional amounts would be receivable/payable by the company if conditions as to future team selections or performance are met. The total of receivables crystallising which are considered probable in the view of the directors is £Nil (2007 - £Nil). The maximum that could be payable is £1,550,000 (2007: £1,695,000). These contingent liabilities would only crystallise should the club achieve premiership status at which point the directors estimate additional revenue in excess of £40m would be receivable.

21 PENSION COMMITMENTS

Contributions are made to defined contribution pension arrangements for certain employees of the company. The contributions are charged against the profit and loss account in the period in which they become payable (Note 4). Contributions totalling £1,403 (2007: £5,031) were payable at the year end and are included within creditors.

The assets of all the pension schemes are held separately from those of the company in independently administered funds.

22 ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The directors regard Simon Jordan as the ultimate controlling party by virtue of his 100% shareholding in Aspiration Holdings Ltd, a company registered in Jersey which has a 100% shareholding in this company.

At the year end Simon Jordan was owed £1,526,919 (2007: £1,184,368) by the company including accrued interest but not yet paid. Interest charged on this loan amounted to £88,834 (2007: £95,337).

During the year the company provided funding to Aspiration Films (Telstar) Limited of £187,289 and to Club Bar & Dining Limited of £49,252, companies of which Simon Jordan is a director. These balances remained outstanding at 30 June 2008.

23 POST BALANCE SHEET EVENTS

Since the year end the company has contracted for the purchase and sale of various players' registrations. The cost including transfer levy, agents' fees and other associated costs amounted to £2.6m and the proceeds of £3.8m.