

Company number 07206409

**Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 30 June 2022**  
**for**  
**CPFC 2010 Limited**



# **CPFC 2010 Limited**

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# **CPFC 2010 Limited**

## **Company Information for the Year Ended 30 June 2022**

**DIRECTORS:**

S Parish  
D S Blitzler  
J J Harris  
J C Textor

**SECRETARY:**

S O'Loughlin

**REGISTERED OFFICE:**

Selhurst Park Stadium  
Holmesdale Road  
London  
Greater London  
SE25 6PU

**REGISTERED NUMBER:**

07206409 (England and Wales)

**AUDITORS:**

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

# **CPFC 2010 Limited**

## **Group Strategic Report for the Year Ended 30 June 2022**

The directors present their strategic report of the company and the group for the year ended 30 June 2022.

### **OVERVIEW**

The 2021/22 campaign saw the Club finish in 12<sup>th</sup> place in its ninth consecutive season in the top flight, and was unquestionably another one of progression after a major restructure of the playing squad and Patrick Vieira's first year in charge.

Each of the players who were identified by the Club had an enormous impact in their first season: Joachim Anderson, Marc Guehi, Michael Olise, Osdonne Edouard and Will Hughes, with Jean Phillipe-Mateta making his loan permanent during the term, as well as the significant contribution of loanee Conor Gallagher who would go on to win the club's Player of the Year Award.

The league campaign ended with 48 points, and a positive goal difference of +4: an excellent return, with much to build on. Home wins over Spurs, Arsenal and Manchester United, and away wins at champions Manchester City, were the pick of the results and will live long in the memory.

A trip to Wembley for the FA Cup semi-final was yet another marker of progression, but sadly we were overcome by then Club World Champions Chelsea.

England called up three Palace players during the March international break, with Marc Guehi, Conor Gallagher and Tyrick Mitchell all selected for Gareth Southgate's squad – further contributing to the widely-held view that the club was attracting and developing the brightest young talent in the land.

The season will also go down in Palace history as a pivotal year for our Academy – not just in terms of the stunning facility our young players develop and thrive in every day, but also the performance of the teams who continue to succeed at the highest level despite only achieving EPPP Category 1 status a few years ago.

Our Academy also became a focal point of a six-part, behind-the-scenes documentary series that aired on Channel 4 to critical acclaim, with 18 players and several staff followed for a whole season which showed viewers how an elite Academy operates – with all contributors doing the club proud.

We also marked the Club's 160th anniversary during the season, after independent research confirmed the Club's inception in 1861. This included a third shirt that reflected the team's first ever kit design – light blue and white halves - which was worn in the FA Cup victory at Millwall.

It is fitting to thank all of my colleagues who worked tirelessly to take the club forward at such a crucial time following nearly two years of interruptions and restrictions from the pandemic, and a special mention to Chief Executive Phil Alexander who left his role having devoted 26 years of life to the club.

With fans back in the stadium, a new shareholder, new investment which we put to good use to invest so considerably, an exciting new manager and many new faces on the pitch, there was definitely a feeling of positive change, optimism and energy surrounding the club.

The Club is in the best shape it's been in since I joined in 2010 – on the field in terms of our squad quality and depth, as well as off the field financially, giving us the best possible chance of pushing on. Our attention is now fully focused on completing the new Main Stand development which will help us become even more competitive in the Premier League and hopefully push closer towards European qualification places by closing the revenue gap to those above us.

## CPFC 2010 Limited

### Group Strategic Report for the Year Ended 30 June 2022

#### FINANCIAL PERFORMANCE

The Board considers the following key performance indicators to give the most relevant indicators of business performance.

	2022	2021
Average league attendance	24,222	n/a
Final league position	12th	14th
TV matches	16	14
	£'000	£'000
Turnover	159,999	134,383
Player wage costs	101,034	112,256
Player wage costs / turnover ratio	63%	84%
Operating expenses (excluding depreciation, amortisation and impairment)	(143,293)	(143,969)
Operating profit / (loss) before depreciation and amortisation("EBITDA")	16,706	(9,586)
(Loss) before tax	(24,229)	(40,261)
Net (liabilities)	(33,447)	(89,368)

#### FINANCIAL REVIEW

While the 21/22 accounts represent a return to a 'normal' 12 month trading period the comparatives reflect an 11 month financial year. This period was adjusted to take account of the extended 19/20 season and resulting 13 month trading period in 19/20 to complete the fixtures following a delay caused by the Covid-19 pandemic. While there is no significant impact on Turnover from the accounting period length, as a full season's fixtures and Premier League revenue are included in both periods, there was an impact on 20/21 results from games being played largely behind closed doors. The impact of this is highlighted below:

	2022 £'000	2021 £'000	Effects of COVID-19 £'000
Reported turnover	159,999	134,383	
Estimated reductions in matchday revenues and other commercial activities	-	15,477	15,477
Business Interruption Insurance claim	-	(2,500)	(2,500)
Covid impact	-	12,977	12,977
Restated turnover for full season	159,999	147,360	-

Operating expenses for 21/22 were £143.3m compared to £154.8m on a 12 month like-for-like basis for 20/21. This reduction is largely driven by reduced squad wages from releasing out of contract players and acquiring new squad assets on lower wages. This continues to be a key pillar of the Club's strategy to be financially sustainable, using the investment in both the academy and targeted acquisitions of the right profile of talent to keep wage costs under control and drive EBITDA growth.

## **CPFC 2010 Limited**

### **Group Strategic Report for the Year Ended 30 June 2022**

The Group had previously used both shareholder and external funding to build up the Club's cash position to allow it to deal with the impact of Covid and allow investment in the squad and academy infrastructure.

During 21/22 significant investment was received from both new and existing shareholders totalling £87.5m which allowed the Group to repay all of its existing shareholder debt and improve the balance sheet.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

All our planning takes into account cashflow risk, credit risk and liquidity risk. The Group uses a mixture of shareholder equity and short to long-term debt finance to ensure that sufficient funds are available for ongoing operations. The planning for Premier League and Championship scenarios have significant implications on core revenue and the club ensures it keeps within the guidelines issued by the Premier League on cost control.

# CPFC 2010 Limited

## Group Strategic Report for the Year Ended 30 June 2022

### SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires Directors to report on how they have taken into consideration the interests of stakeholders and other matters in their decision making. The Directors recognise their responsibility to act in a way which promotes the success of the Company for all stakeholders, and regularly reviews the Club's performance and engagement with all stakeholders through frequent meetings. Naturally, it is imperative that the Club also abides by relevant Premier League, UEFA, F.A. regulations, including Financial Fair Play.

With the unique nature of the business and the way it interacts with the community, the Board continue to use all the various mechanisms at its disposal, such as its official charity partner, the Palace for Life Foundation, the Academy, alongside the Club's own initiatives to make a positive difference. The Board are acutely aware, especially during the challenging times we've seen in recent years, of the responsibility it has to support its fans and stakeholders and make decisions in a responsible way, taking into account supporter concerns and feedback.

- The Board always acts with a strong reference to Equality, Diversity and Inclusion, with numerous positive examples of pioneering activity. The continued investment in safeguarding and HR support in this area is also reflected in the Club's completion of the Premier League's Intermediate Standard and subsequent application for the Advanced Standard.

- In relation to the Palace for Life Foundation, the Club continued its focus on community support as we emerged from the pandemic, engaging with over 15,000 young people through its key pillars of work, providing them with opportunities and support to thrive.

- The Foundation also launched its most ambitious fundraising campaign, "Made in South London," in April 2022, with the goal of raising £1 million over the next three years to support the transformation of the lives of over 3,000 additional young people.

- The Primary Schools program successfully restarted its PE, Primary Stars, and after-school clubs in 38 schools following a disrupted two years, with the Club acutely aware of the positive impact it can have on the lives of local young people.

- The Club also acts as a key contributor and supporter towards various league-wide initiatives such as No Room for Racism, Rainbow Laces, Black History Month and campaigns from the Mayor of London, including one to end violence against women and girls. On each occasion we use our profile and contact points within the community and supporter base to help spread messages, but also provide facilities and staff to help campaigns get the attention they deserve.

- Elsewhere, the Club and charity continued its 'Palace Kitchen' initiative, offering free meals to various groups including homeless people, refugees and the elderly. This initiative was funded by a combination of shareholder contributions, Club funds and donations from supporters.

- We continued to support the NHS, primarily through continuing to offer Selhurst Park as a Covid-19 vaccination centre.

- The Board continued to support the Academy investment, offering numerous opportunities, not just to young people but also the local community, to use its world-class facilities.

- The Board also recognise the responsibility that comes with a high-performance academy environment and its duty of care to all players within it and to those that have been released from it. To that end, we enhanced our wide-ranging care programme for Academy players aged 18-23 to include those that are released from the club, making a commitment that a Player Care Officer will contact affected players for an extended period of time, as we support them on their journey should they be released.

### ON BEHALF OF THE BOARD:

*S. Parish*

.....  
S Parish - Director

3<sup>rd</sup> March 2023

Date: .....

# **CPFC 2010 Limited**

## **Report of the Directors for the Year Ended 30 June 2022**

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2022.

### **PRINCIPAL ACTIVITY**

The principal activity of the Group in the year under review was that of overseeing the Group's football related activities.

The principal activity of the Company in the year under review was that of a holding company.

### **DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2022.

### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2021 to the date of this report.

S Parish  
D S Blitzler  
J J Harris

Other changes in directors holding office are as follows:

J C Textor - appointed 11 August 2021

### **EMPLOYEES**

It is the Group'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.

### **THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS**

Qualifying third party indemnity provision is in place for the benefit of all directors of the Group.

### **DISCLOSURE IN THE STRATEGIC REPORT**

Information in connection with Future Developments together with certain employment and business relationship disclosures are not included within this Report of the Directors as they are instead included within the Strategic Report on pages 2 to 5 under S414c(11).

### **FINANCIAL INSTRUMENT RISK MANAGEMENT**

The main financial risks associated with the Group's activities are credit risk and liquidity and cash flow risks. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

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

The Group's policy in respect of liquidity and cash flow risk is to maintain a mixture of third party and related party finance and readily accessible bank deposit accounts to ensure the Company has sufficient funds for operations.



**CPFC 2010 Limited**

**Report of the Directors  
for the Year Ended 30 June 2022**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, RSM UK Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

*S. Parish*

.....  
S Parish - Director

3rd March 2023  
Date: .....

## **Report of the Independent Auditors to the Members of CPFC 2010 Limited**

### **Opinion**

We have audited the financial statements of CPFC 2010 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company affairs as at 30 June 2022 and of the Group's loss 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **Report of the Independent Auditors to the Members of CPFC 2010 Limited**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page seven, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Report of the Independent Auditors to the Members of CPFC 2010 Limited**

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *The extent to which the audit was considered capable of detecting irregularities, including fraud*

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completion of a financial statements disclosure checklist and reviewing the tax computations prepared by external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are the Premier League's Profit and Sustainability Rules (PSR). We performed audit procedures to check the Group's PSR calculations and to inquire of management whether any non-compliance has occurred or is expected to occur in the foreseeable future.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing a sample of journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## **Report of the Independent Auditors to the Members of CPFC 2010 Limited**

### **Use of our report**

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 a Report of the Auditors 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.

*Richard Coates*

RICHARD COATES (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

Date: 3 March 2023

# CPFC 2010 Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2022

	Notes	Year Ended 30.6.22 £000	11 month period ended 30.6.21 £000
<b>TURNOVER</b>	3	159,999	134,383
Operating expenses before depreciation & amortisation		(143,293)	(143,969)
<b>OPERATING PROFIT / (LOSS) BEFORE DEPRECIATION &amp; AMORTISATION</b>		<b>16,706</b>	<b>(9,586)</b>
Depreciation		(2,396)	(1,892)
<b>OPERATING PROFIT / (LOSS) BEFORE AMORTISATION</b>		<b>14,310</b>	<b>(11,478)</b>
Amortisation		(34,151)	(36,454)
<b>OPERATING LOSS BEFORE PROFIT ON DISPOSAL OF PLAYERS</b>		<b>(19,841)</b>	<b>(47,932)</b>
Profit on disposal of players		-	9,571
<b>OPERATING LOSS</b>		<b>(19,841)</b>	<b>(38,361)</b>
Interest receivable		18	12
Interest payable and similar charges	7	(4,406)	(1,912)
<b>LOSS BEFORE TAXATION</b>		<b>(24,229)</b>	<b>(40,261)</b>
Taxation	8	-	-
<b>LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(24,229)</b>	<b>(40,261)</b>

The notes form part of these financial statements

**CPFC 2010 Limited (Registered number: 07206409)**

**Consolidated Statement of Financial Position**  
30 June 2022

	Notes	£'000	30.06.22 £'000	30.06.21 £'000
<b>FIXED ASSETS</b>				
Intangible assets	9		89,585	35,202
Tangible assets	10		<u>32,198</u>	<u>26,622</u>
			121,783	61,824
<b>CURRENT ASSETS</b>				
Stocks	12	356		756
Debtors	13	6,377		5,605
Cash at bank and in hand		<u>8,048</u>		<u>1,859</u>
		14,781		8,220
<b>CREDITORS</b>				
Amounts falling due within one year	14	<u>104,639</u>		<u>142,596</u>
<b>NET CURRENT LIABILITIES</b>			<u>(89,858)</u>	<u>(134,376)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			31,925	(72,552)
<b>CREDITORS</b>				
Amounts falling due after more than one year	15		(60,077)	(13,420)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(5,295)</u>	<u>(3,396)</u>
<b>NET LIABILITIES</b>			<u>(33,447)</u>	<u>(89,368)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	18		96,600	16,450
Retained earnings			<u>(130,047)</u>	<u>(105,818)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(33,447)</u>	<u>(89,368)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 3<sup>rd</sup> March 2023 and were signed on its behalf by:

*S. Parish*

.....  
S Parish - Director

# CPFC 2010 Limited (Registered number: 07206409)

## Company Statement of Financial Position 30 June 2022

	Notes	£'000	30.6.22 £'000	£'000	31.7.21 £'000
<b>FIXED ASSETS</b>					
Investments	11		<u>92,410</u>		<u>12,260</u>
			92,410		12,260
<b>CURRENT ASSETS</b>					
Debtors	13	32,873		4,190	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>3,274</u>		-	
<b>NET CURRENT ASSETS</b>			<u>29,599</u>		<u>4,190</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>122,009</u>		<u>16,450</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	15	<u>25,409</u>		-	
<b>NET ASSETS</b>			<u>96,600</u>		<u>16,450</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		<u>96,600</u>		<u>16,450</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>96,600</u>		<u>16,450</u>
Company's profit for the financial year			-		-

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 3<sup>rd</sup> March 2023 and were signed on its behalf by:

*S. Parish*

.....  
S Parish - Director



## CPFC 2010 Limited

### Consolidated Statement of Changes in Equity for the Year Ended 30 June 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 August 2020</b>	16,450	(65,557)	(49,107)
<b>Changes in equity</b>			
Issue of share capital	-	-	-
Total comprehensive loss	<u>-</u>	<u>(40,261)</u>	<u>(40,261)</u>
<b>Balance at 30 June 2021</b>	<u>16,450</u>	<u>(105,818)</u>	<u>(89,368)</u>
<b>Changes in equity</b>			
Issue of share capital	80,150	-	80,150
Total comprehensive loss	<u>-</u>	<u>(24,229)</u>	<u>(24,229)</u>
<b>Balance at 30 June 2022</b>	<u>96,600</u>	<u>(130,047)</u>	<u>(33,447)</u>

The notes form part of these financial statements

## CPFC 2010 Limited

### Company Statement of Changes in Equity for the Year Ended 30 June 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 August 2020	16,450	-	16,450
Changes in equity			
Issue of share capital	-	-	-
Balance at 30 June 2021	16,450	-	16,450
Changes in equity			
Issue of share capital	80,150	-	80,150
Balance at 30 June 2022	96,600	-	96,600

The notes form part of these financial statements

# CPFC 2010 Limited

## Consolidated Statement of Cash Flows for the Year Ended 30 June 2022

		Year Ended 30.6.22 £'000	11 month period ended 30.6.21 £'000
<b>Cash flows from operating activities</b>	<b>Notes</b>		
Cash from/(used in) operations	1	10,173	(40,461)
Interest paid		<u>(4,404)</u>	<u>(2,087)</u>
Net cash from/(used in) operating activities		<u>5,769</u>	<u>(42,548)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(56,477)	(28,077)
Purchase of tangible fixed assets		(6,779)	(15,442)
Sale of intangible fixed assets		2,400	12,623
Interest received		<u>18</u>	<u>12</u>
Net cash used in investing activities		<u>(60,838)</u>	<u>(30,884)</u>
<b>Cash flows from financing activities</b>			
New loans in year		30,000	-
Loan repayments		(2,250)	-
Net advances under funding agreement		4,153	4,794
Finance lease payments		(617)	(403)
Loans from parent company		<u>29,972</u>	<u>12,482</u>
Net cash from financing activities		<u>61,258</u>	<u>16,873</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>6,189</u>	<u>(56,559)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>1,859</u>	<u>58,418</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>8,048</u></u>	<u><u>1,859</u></u>

The notes form part of these financial statements

# CPFC 2010 Limited

## Notes to the Consolidated Statement of Cash Flows for the Year Ended 30 June 2022

### 1. RECONCILIATION OF LOSS FOR THE FINANCIAL YEAR TO CASH FROM/(USED IN) OPERATIONS

	Year Ended 30.6.22 £'000	Period 1.8.20 to 30.6.21 £'000
Loss for the financial year	(24,229)	(40,261)
Depreciation charges	2,396	1,892
Profit on disposal of fixed assets	-	(9,571)
Amortisation of player registrations	34,151	36,454
Finance costs	4,406	1,912
Finance income	(18)	(12)
	<u>16,706</u>	<u>(9,586)</u>
Decrease in stocks	400	448
Increase in trade and other debtors	(3,172)	(1,244)
Decrease in trade and other creditors	<u>(3,761)</u>	<u>(30,079)</u>
<b>Cash from/(used in) operations</b>	<u>10,173</u>	<u>(40,461)</u>

### 2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.21 £'000	Cash flow £'000	Other non-cash changes £'000	At 30.6.22 £'000
<b>Net cash</b>				
Cash at bank and in hand	<u>1,859</u>	<u>6,189</u>	-	<u>8,048</u>
	<u>1,859</u>	<u>6,189</u>	-	<u>8,048</u>
<b>Debt</b>				
Finance leases	(597)	617	(1,194)	(1,174)
Advances under funding agreement	(35,293)	(4,153)	-	(39,446)
Bank loans	-	(27,750)	(5,642)	(33,392)
Loans from parent company	<u>(57,857)</u>	<u>(29,972)</u>	<u>80,150</u>	<u>(7,679)</u>
	<u>(93,747)</u>	<u>(61,258)</u>	<u>73,314</u>	<u>(81,691)</u>
<b>Total</b>	<u>(91,888)</u>	<u>(55,069)</u>	<u>73,314</u>	<u>(73,643)</u>

# CPFC 2010 Limited

## Notes to the Consolidated Financial Statements for the Year Ended 30 June 2022

### 1. STATUTORY INFORMATION

CPFC 2010 Limited ("the Company") is a private company limited by shares and is registered, domiciled and incorporated in England. The Company's registered number, registered office address and principal place of business can be found on the Company Information page.

The principal activities of the Company and its subsidiaries (together "the Group") are disclosed in the Report of the Directors and the nature of operations are disclosed in the Strategic Report.

### 2. ACCOUNTING POLICIES

#### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

These financial statements are presented in sterling which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### **Financial Reporting Standard 102 - reduced disclosure exemptions**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosures requirements:

- Section 7 "Statement of Cash Flows" - Presentation of a Statement of Cash Flow and related notes and disclosures

#### **Basis of consolidation**

The consolidated financial statements incorporate those of the Company and all of its subsidiary undertakings for the period. All financial statements are made up to 30 June 2022. Subsidiaries acquired in the period are consolidated using the acquisition method of accounting. The results are incorporated from the date that control passes.

#### **Significant judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key areas of accounting estimation relate to the Group's intangible fixed assets, especially in respect of the timing and quantum of recognising a provision for future fees that may be payable under transfer agreements and in respect of the impairment review. The Group's accounting policies for these areas are as set out below.

#### **Going concern**

The directors have considered the Group's current financial position and reviewed its cash flow forecasts for the period to 30 June 2024, including consideration of the impact of relegation at the end of the 22/23 season. The Company and its subsidiaries have received a letter of support from Palace Holdco UK Limited, the ultimate parent company, covering the period to 30 June 2024. The directors are confident that the Company and the Group will be able to meet their liabilities as they fall due for the period to at least 30 June 2024 and consequently have prepared the financial statements on the going concern basis.

# CPFC 2010 Limited

## Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

### 2. ACCOUNTING POLICIES - continued

#### Turnover

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

Gate receipts and other match day revenue are recognised as the games are played. Revenue derived from season tickets is credited to income in the period to which it relates. Amounts received in advance are credited to deferred income in the statement of financial position.

The club receives central distributions from the Premier League. These distributions are recognised evenly over the course of the financial period. Merit awards are accounted for only when known at the end of the football season. The fixed element of broadcasting revenue is recognised over the duration of the football season whilst fees received for live coverage or highlights are recognised when earned.

Sponsorship, advertising and similar commercial income is recognised over the duration of the respective contracts. Amounts received in advance are credited to deferred income in the statement of financial position. Conferencing and banqueting receipts are recognised at the time of the event with deposits held in the statement of financial position as deferred income until then or until they are refunded, whichever is the earlier.

#### Intangible fixed assets - player registrations

Payments made to third parties in order to acquire a player's registration, including agents' fees and transfer fee levies, are capitalised at cost. The cost is then amortised on a straight-line basis over the period of the player's contract.

Under the conditions of certain transfer agreements, further fees will be payable in the event of the players concerned making a certain number of first team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional fees are accounted for, as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur. The additional costs are capitalised and amortised as set out above.

The Group performs an impairment review on player registrations if adverse events indicate that the amortised carrying value of its intangible assets may not be recoverable. Whilst no individual player can be separated from the income generating unit, which is represented by the playing squad and football club as a whole, there may be certain circumstances where a player is removed from the income generating unit. If such circumstances arise, individual player registrations are written down for impairment where the carrying value exceeds the directors' estimate of fair value less any costs to sell.

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

#### Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Freehold buildings	2% Straight Line
Freehold property improvements	20% Straight Line
Leasehold property improvements	4% Straight Line
Plant and machinery	20% Straight Line
Fixtures, fittings and equipment	20% Straight Line
Motor vehicles	20% Straight Line

Assets under construction are stated at cost. These assets are not depreciated until they are available for use.

#### Stocks

Stock is valued at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items.

# CPFC 2010 Limited

## Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

### 2. ACCOUNTING POLICIES - continued

#### Financial instruments

The Group has applied the provisions of Sections 11 and 12 of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Financial assets

##### Trade and other debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

##### Trade and other creditors

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

#### Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

#### Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

## CPFC 2010 Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

#### 2. ACCOUNTING POLICIES - continued

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

##### **Hire purchase and leasing commitments**

An asset and corresponding liability are recognised for leasing agreements that transfer to the Group substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

##### **Pension costs and other post-retirement benefits**

The Group contributes to a defined contribution pension scheme for the benefit of its employees. Contributions payable to the Group's pension scheme are charged to profit or loss in the period to which they relate.

##### **Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made as to the amount of the obligation.



# CPFC 2010 Limited

## Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

### 3. TURNOVER

The turnover of the Company for the period has been derived from its principal activity, wholly undertaken in the United Kingdom.

	Year Ended 30.6.22 £000	Period 1.8.20 to 30.6.21 £000
Broadcasting	126,490	117,344
Sponsorship and advertising	11,642	10,722
Gate receipts	11,462	247
Other commercial activities	8,706	2,890
Other income	<u>1,699</u>	<u>3,180</u>
	<u>159,999</u>	<u>134,383</u>

Broadcasting - revenue as a result of the FA Premier League broadcasting distributions, all cup competitions and radio broadcasting rights.

Sponsorship and advertising - revenue from all our sponsors, partnerships and other advertisement deals.

Gate receipts - revenue as a result of match day ticket sales, membership income, cup competitions and preseason ticket sales.

Other commercial activities - revenue generated from corporate hospitality, merchandise sales, catering and non-match day events.

Other income - revenue from players loaned out, fees for commercial contracts, rental income and all other income, including a business interruption insurance claim receipt of £nil (2021: £2.5m).

### 4. OPERATING EXPENSES

	Year Ended 30.6.22 £000	Restated Period 1.8.20 to 30.6.21 £000
Amortisation of player registrations	34,151	36,454
Depreciation of tangible fixed assets	2,396	1,892
Staff costs (see note 6)	123,835	130,293
Other operating charges	<u>19,458</u>	<u>13,676</u>
Total operating expenses	<u>179,840</u>	<u>182,315</u>

The 2021 operating expenses set out above have been restated to transfer £3,291,000 of staff cost related expenses from other operating charges to staff costs to be consistent with the 2022 classifications.

### 5. AUDITORS' REMUNERATION

Fees payable to the auditors for the statutory audit were £55,000 (2021: £50,000) and non-audit services were £19,325 (2021: £45,000), of which £11,500 (2021: £11,000) were for audit-related assurance services and £7,825 (2021: £34,000) was for tax compliance and advisory services.

# CPFC 2010 Limited

## Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

### 6. EMPLOYEES AND DIRECTORS

	Year Ended 30.6.22 £'000	Restated Period 1.8.20 to 30.6.21 £'000
Wages and salaries	108,701	114,666
Social security costs	14,955	15,457
Other pension costs	<u>179</u>	<u>170</u>
	<u>123,835</u>	<u>130,293</u>

The 2021 wages and salaries set out above have been restated to transfer £3,291,000 of staff cost related expenses from other operating charges to staff costs to be consistent with the 2022 classifications.

The directors, who are also considered to be the Group's key management personnel, received remuneration based on performance of the team, player sales and investment into the Club, of £1,700,000 during the year (2021: £810,645). This all related to the highest paid director. The majority of this amount relates to an unpaid bonus which is expected to be reinvested back into the Club. No director received pension benefits during the year (2021: Nil).

The average number of employees during the year was as follows:

	Year Ended 30.6.22	Period 1.8.20 to 30.6.21
Players, managers and coaches	157	176
Administration and commercial	<u>138</u>	<u>121</u>
	<u>295</u>	<u>297</u>

In addition to the disclosure above, the average number of match day and casual staff employed by the Group was approximately 731 during the period (2021: 320). The Company had no employees during the year (2021: Nil).

### 7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 30.6.22 £'000	Period 1.8.20 to 30.6.21 £'000
Interest and other charges	2,525	1,735
Loan interest	<u>1,881</u>	<u>177</u>
	<u>4,406</u>	<u>1,912</u>

Interest and other charges primarily comprises of borrowing arrangement fees and interest paid in relation to the loan from Aldermore bank. It also includes interest paid on finance leases totalling £43,000 (2021: £108,000).

Loan interest primarily comprises of borrowing arrangement fees and interest paid in relation to the loan from MGG. Loan interest also includes £388,000 (2021: £177,000) in relation to the academy project due to Palace Holdco UK Limited, the ultimate parent company, based on a fixed rate unsecured loan note issued by Palace Holdco UK Limited and then loaned to CPFC Limited, a member of this Group, at the same interest rate.

## CPFC 2010 Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

#### 8. TAXATION

##### Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2022 nor for the period ended 30 June 2021.

##### Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	Year Ended 30.6.22 £'000	Period 1.8.20 to 30.6.21 £'000
Loss before tax	<u>(24,229)</u>	<u>(40,261)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(4,604)	(7,650)
Effects of:		
Expenses not deductible for tax purposes	61	62
Fixed asset permanent differences	204	263
Losses carried forward	4,570	7,610
Other differences	<u>(231)</u>	<u>(285)</u>
Total tax charge	<u>-</u>	<u>-</u>

The Group has tax losses carried forward as at 30 June 2022 of approximately £135,000,000 (2021: £112,000,000). A deferred tax asset of £33,750,000 (2021: £21,280,000) has not been recognised in respect of the losses due to the uncertainty as to the timing of future taxable profits.

## CPFC 2010 Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

#### 9. INTANGIBLE FIXED ASSETS

##### Group

##### Player registrations £'000

##### COST

At 1 July 2021	224,978
Additions	88,865
Disposals	(80,495)
Reversal of contingents	<u>(331)</u>

At 30 June 2022	<u>233,017</u>
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##### AMORTISATION

At 1 July 2021	189,776
Amortisation for year	34,151
Eliminated on disposal	<u>(80,495)</u>

At 30 June 2022	<u>143,432</u>
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##### NET BOOK VALUE

At 30 June 2022	<u>89,585</u>
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At 30 June 2021	<u>35,202</u>
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# CPFC 2010 Limited

## Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

### 10. TANGIBLE FIXED ASSETS

#### Group

	Freehold land and buildings £'000	Assets under construction £'000	Long Leasehold £'000	
<b>COST</b>				
At 1 July 2021	8,672	17,143	683	
Additions	352	1,708	4,009	
Disposals	(747)	-	-	
Reclassification/transfer	-	(15,859)	15,451	
At 30 June 2022	<u>8,277</u>	<u>2,992</u>	<u>20,143</u>	
<b>DEPRECIATION</b>				
At 1 July 2021	2,204	-	53	
Charge for year	333	-	770	
Eliminated on disposal	(747)	-	-	
At 30 June 2022	<u>1,790</u>	<u>-</u>	<u>823</u>	
<b>NET BOOK VALUE</b>				
At 30 June 2022	<u>6,487</u>	<u>2,992</u>	<u>19,320</u>	
At 30 June 2021	<u>6,468</u>	<u>17,143</u>	<u>630</u>	
	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Totals £'000
<b>COST</b>				
At 1 July 2021	12,718	5,406	177	44,799
Additions	1,701	102	101	7,973
Disposals	(653)	(2,088)	-	(3,488)
Reclassification/transfer	158	250	-	-
At 30 June 2022	<u>13,924</u>	<u>3,670</u>	<u>278</u>	<u>49,284</u>
<b>DEPRECIATION</b>				
At 1 July 2021	10,841	4,917	162	18,177
Charge for year	1,033	251	9	2,396
Eliminated on disposal	(652)	(2,088)	-	(3,487)
At 30 June 2022	<u>11,222</u>	<u>3,080</u>	<u>171</u>	<u>17,086</u>
<b>NET BOOK VALUE</b>				
At 30 June 2022	<u>2,702</u>	<u>590</u>	<u>107</u>	<u>32,198</u>
At 30 June 2021	<u>1,877</u>	<u>489</u>	<u>15</u>	<u>26,622</u>

Freehold land and buildings includes £2,396,000 (2021: £2,396,000) of land that is not depreciated.  
The net book value of tangible fixed assets includes £1,544,000 (2021: £642,000) in respect of assets held under finance leases.

Assets under construction in relation to Academy Project Phase 1 and 2 were transferred to Leasehold improvement, £15,451,000, Plant and Machinery, £158,000 and Fixture and Fittings £250,000. Asset under construction balance as of 30<sup>th</sup> June 22 relate to the Main Stand redevelopment project and the Rehabilitation centre development.

# CPFC 2010 Limited

## Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

### 11. FIXED ASSET INVESTMENTS

#### Company

	Shares in group undertakings £'000
<b>COST</b>	
At 1 July 2021	12,260
Additions	<u>80,150</u>
At 30 June 2022	<u>92,410</u>
<b>NET BOOK VALUE</b>	
At 30 June 2022	<u>92,410</u>
At 30 June 2021	<u>12,260</u>

During the year, the company subscribed for £80,150,000 of ordinary shares in CPFC Limited.

The Company holds more than 20% of the equity (and no other share or loan capital) of the following undertakings:

Subsidiary undertakings	Class of holding	Proportion directly held	Proportion indirectly held	Nature of business
CPFC Limited	Ordinary	100%	-	Football Club
CPFC Selhurst Park Limited	Ordinary	100%	-	Stadium Management
CPFC (Women) Limited	Ordinary	-	100%	Football Club

The registered office and principal place of business for the above companies is Selhurst Park Stadium, Holmesdale Road, London SE25 6PU.

### 12. STOCKS

	Group	
	2022 £'000	2021 £'000
Stocks	<u>356</u>	<u>756</u>

### 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	829	621	-	-
Amounts owed by group undertakings	1,883	1,077	32,873	4,190
Football transfer debtors	-	2,400	-	-
Other debtors	1,504	976	-	-
Accrued income	533	92	-	-
Prepayments	<u>1,628</u>	<u>439</u>	<u>-</u>	<u>-</u>
	<u>6,377</u>	<u>5,605</u>	<u>32,873</u>	<u>4,190</u>

## CPFC 2010 Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

#### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Advances under funding agreement	39,446	35,293	-	-
Bank loans	8,642	-	3,000	-
Finance leases (see note 16)	344	310	274	-
Trade creditors	2,402	4,024	-	-
Amounts owed to group undertakings	25	50,203	-	-
Social security and other taxes	7,198	7,212	-	-
VAT	5,107	7,860	-	-
Other creditors	3,723	1,586	-	-
Football transfer creditors	11,196	10,785	-	-
Accruals	13,338	12,955	-	-
Deferred income	13,218	12,368	-	-
	<u>104,639</u>	<u>142,596</u>	<u>3,274</u>	<u>-</u>

The advances under funding agreement comprises of amounts advanced to the Group which is secured on central funds due from the Premier League. Subsequent to the period end, the funding agreement has been renewed and extended.

Following the acquisition of a player during the period, the selling club assigned the debtor to a bank and subsequently the Group revisited payment terms. At the balance sheet date this amounted to £5,642,098 which is included within bank loans.

Bank loans also includes £3,000,000 of a term loan facility with the balance of £24,750,000 disclosed in note 15.

The finance lease and hire purchase liabilities are secured on the related tangible fixed assets.

#### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans	24,750	-	24,750	-
Finance leases (see note 16)	830	287	659	-
Amounts owed to group undertakings	7,655	7,655	-	-
Other creditors	1,585	1,426	-	-
Football transfer creditors	24,106	-	-	-
Deferred income	1,151	2	-	-
Accruals	-	4,050	-	-
	<u>60,077</u>	<u>13,420</u>	<u>25,409</u>	<u>-</u>

Included in bank loans is a secured loan of £24,750,000, which is a term loan facility and is interest bearing at 7.5% repayable over 4 years.

The finance lease and hire purchase liabilities are secured on the related tangible fixed assets. All finance lease and hire purchase liabilities fall due for payment within 5 years.

The amounts owed to group undertakings comprises a loan of £7,655,000 from Palace Holdco UK Limited and is interest bearing at 5% repayable 14th January 2040.

# CPFC 2010 Limited

## Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

### 16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

#### Group

	Finance leases	
	2022	2021
	£'000	£'000
Net obligations repayable:		
Within one year	344	310
Between one and five years	<u>830</u>	<u>287</u>
	<u>1,174</u>	<u>597</u>

#### Company

	Finance leases	
	2022	2021
	£'000	£'000
Net obligations repayable:		
Within one year	274	-
Between one and five years	<u>659</u>	<u>-</u>
	<u>933</u>	<u>-</u>

#### Group

	Non-cancellable operating leases	
	2022	2021
	£'000	£'000
Within one year	575	575
Between one and five years	2,300	2,300
In more than five years	<u>18,430</u>	<u>19,005</u>
	<u>21,305</u>	<u>21,880</u>

The non-cancellable operating leases all relate to long-term leasehold property at the academy site.

The Company had no operating leases.



## CPFC 2010 Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2022

#### 17. PROVISIONS FOR LIABILITIES

##### Group

	Player registrations
	£'000
Balance at 1 July 2021	3,396
Provided during year	5,098
Utilised during year	(2,868)
Reversed in period	<u>(331)</u>
Balance at 30 June 2022	<u>5,295</u>

Under the conditions of certain transfer agreements, further fees will be payable in the event of the players concerned making a certain number of first team appearances or on the occurrence of certain other specified future events. The above provision relates to additional fees that will probably fall due for payment under these transfer agreements.

#### 18. CALLED UP SHARE CAPITAL

##### Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £'000	2021 £'000
96,600,000	Ordinary	£1	<u>96,600</u>	<u>16,450</u>

80,150,000 Ordinary shares of £1 each were allotted and fully paid at par during the year.

The Company's ordinary shares carry no right to fixed income and each carry the right to vote at general meetings of the Company.

The profit and loss account reserve comprises cumulative profit and loss less distributions to owners.

## **CPFC 2010 Limited**

### **Notes to the Consolidated Financial Statements - continued** **for the Year Ended 30 June 2022**

#### **19. PENSION COMMITMENTS**

The Group contributes to defined contribution pension schemes. The assets of the schemes are held in independently administered funds. The pension cost charge for the period of £179,000 (2021: £170,000) represents contributions payable by the Group. Contributions totalling £56,000 (2021: £41,000) were payable at the period end and are included in other creditors.

#### **20. ULTIMATE PARENT COMPANY**

The immediate parent company is Palace Midco Limited and the ultimate parent company is Palace Holdco UK Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by Palace Holdco UK Limited. Consolidated accounts of this company are available from its registered office, Selhurst Park Stadium, Holmesdale Road, London SE25 6PU.

#### **21. CONTINGENT TRANSFER FEES**

The estimated commitment for additional transfer fees payable in respect of future possible events (mainly appearances) amounts to £14,583,000 (2021: £6,252,000). These amounts have not been included in the financial statements as it is not probable that a liability will arise.

#### **22. CAPITAL COMMITMENTS**

At the period end, the Group had capital commitments totalling £7,508,000 in relation to the academy project (2021: £5,409,000).

#### **23. RELATED PARTY DISCLOSURES**

During the year £45,000 (2021: £45,000) was charged by VMM Ltd, a company controlled by S Parish (a director), in respect of services provided to the Group. The amounts owed to VMM Ltd, excluding VAT, as at 30 June 2022 was £nil (2021: £nil).

During the year £156,000 (2021: £156,000) was charged by Smoke & Mirrors Group Limited, a company controlled by S Parish (a director), for rent payable under a tenancy agreement that can be terminated by giving six months' notice. The amounts owed to Smoke & Mirrors Group Limited, excluding VAT, as at 30 June 2022 was £nil (2021: £nil).

During the year the Group signed a sponsorship agreement for £975,000 (2021: £nil) with Facebank Inc, a company that has common directorship with J Textor (a director). The amounts owed by Facebank Inc as at 30 June 2022 was £15,000 (2021: £nil).

#### **24. POST BALANCE SHEET EVENTS**

After the period end, the Group contracted for the purchase of a number of players. The cost (excluding any contingent amounts) of these transfers was £37,980,000 (2021: £72,700,000).

In October 2022, the Group received a loan of £12,000,000 which is repayable over 4 years.

Subsequent to the year end, an entity controlled by a director has subscribed for new ordinary shares in Palace Holdco UK Limited for £30,000,000.