Registered number. 07326155

BATON 2010 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NLP

BATON 2010 LIMITED

COMPANY INFORMATION

Directors	R Duchâtelet (appointed 3 January 2014) K Meire (appointed 3 January 2014) R A Murray M R Slater T M Jimenez (resigned 3 January 2014) M C Prothero (appointed 31 July 2012 & resigned 3 January 2014) S Kavanagh (resigned 26 July 2012) P D Varney (resigned 13 July 2012)
Registered number	07326155
Registered office	The Valley Floyd Road London SE7 8BL
Independent auditors	Nyman Libson Paul Chartered Accountants & Statutory Auditors Regina House 124 Finchley Road London NW3 5JS

BATON 2010 LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and the financial statements for the year ended 30 June 2013

Principal activities

The principal activity of the group comprises the operation of a professional football club, together with related commercial activities

Business review

Football review

1st team

The 1st team moved back into the Football League Championship for the first time since 2009, having been crowned League 1 champions in the prior season The season contained many ups and downs on the field of play, I am sure many fans were looking over their shoulder one week at the relegation zone and a couple of weeks later hopeful for a play-off spot The season culminated in a 9th placed finish, just three points off a play-off position Overall the 12/13 season was extremely pleasing, ensuring consolidation back into the second tier of English professional football after three seasons competing in League 1

The step up to the Championship saw average League attendances at the Valley increase by 1,053 on the previous season to 18,481 (2011 – 17,428), representing 9th position in Championship home attendances for that season This is great credit to the supporters of the Club considering Charlton's home performances were 'patchy' for the majority of the season, until the tremendous run in the last 5 weeks of the season

One of the most memorable games was the 5-4 triumph at home in November against the eventual 12/13 Champions Cardiff City Two-nil down after twenty-four minutes things looked bleak but then two quick goals from captain Johnnie Jackson meant it was level at half-time Charlton were full of confidence going into the second half and scored three unanswered goals resulting in a 5-2 lead after 90 minutes Unbelievably the fourth official signalled six minutes of additional time which rallied the Cardiff players, scoring one almost straight away before another a couple of minutes later Fortunately Chris Powell's team held on to notch a famous victory, helped enormously by the very vocal home crowd that night

Youth Academy

2012/13 was the first year of the implementation of the Elite Player Performance Plan ("EPPP"), with the Club's Youth Academy competing as a Category 2 club This provisional status was confirmed in the summer of 2013 following the audit in February 2013 It should be noted that only a handful of clubs outside of the Premier League were awarded Category 1 status in the year of implementation and the Board strongly aspires to achieve Category 1 status as soon as possible, which will require a significant development of our Training Ground facilities in New Eltham

Both the U21 and U18 teams had tremendously successful seasons, winning their respective regional leagues, thereby qualifying for the national play-offs Both age groups played Huddersfield Town in the semi-finals, with the u18s narrowly losing on penalties The U21s however claimed an emphatic 6-1 victory in their semi-final and followed that up with a 3-1 victory after extra-time against Cardiff City to claim the overall national title Furthermore the U21s also won the Kent Senior Cup, winning the final 7-1, the first time Charlton have lifted the Kent Senior Cup since 1995

Financial review

Turnover

	2012/13 (£000)	2011/12 (£000)	Variance (£000)	Variance (%)
Central income	4,096	1,146	2,950	257
Match-day	5,633	5,120	513	10
Commercial	1,429	1,851	(422)	(23)
Other	757	435	322	74
Total	**11,915**	**8,552**	**3,363**	**39**

One of the significant upsides of the 1st team returning to the Championship is the additional income arising from Football League and Premier League central distributions driven by the greater value placed on Championship games in respect of the Sky TV deal as opposed to League 1 games Central income therefore increased by £2 95m on the prior year to £4 10m (2012 - £1 15m) It is worth noting that the 12/13 season represented the first year of the Football League's new three-year contract with Sky, the value of which is a 26% decrease on the previous three year deal

Match-day income consists primarily of ticket income, match-day hospitality, advertising and programmes Match-day income increased by 10% primarily as a result of increased attendances and ancillary spend Programme income was the one area which saw a small decrease on 11/12, as more supporters turn to other 'new' media forms

The decrease in commercial income can be explained by the fact that the Company's retail operation was outsourced to Just Sport in June 2012 Instead of the Company recognising turnover (and costs) from the retail operation, it receives a royalty from Just Sport based on a percentage of sales that they generate If the retail turnover/royalty is removed from the 2011/12 Commercial results then this area saw turnover growth of 5% in 12/13

Other income principally comprises youth academy grant income arising from the EPPP The significant increase on 11/12 is due to 12/13 being the first year of implementation for EPPP The level of grant is determined by the category status of the club's youth academy Other income also includes significant contributions from Valley Gold, the charitable organisation directly linked to the Club, which further supports the development of players in our Youth Academy

Operating expenses

Operating expenses, excluding depreciation and player amortisation, were £17 3m (2012 - £14 3m), the increase on prior year primarily reflecting the increase in player wages in order to compete in the Championship Staff costs of £12 0m (2012 - £8 9m) represents 101% (2012 – 104%) of turnover which is clearly unsustainable in the long-term and something the Board will be addressing in forthcoming years Once depreciation and amortisation are taken into account the operating loss was £7 4m, very much in line with the previous year (2012 - £7 4m)

Profit on disposal of players' registrations

Profit on disposal of players' registrations amounted to £1 7m (2012 – £1 0m) This arose primarily from the following

- Shelvey (Liverpool), Elliott (Newcastle Utd), Jenkinson (Arsenal), Richardson (Southampton) contingent appearances
- Hudson (Cardiff City) and McCarthy (Crystal Palace) contingent promotion clauses
- Youth Academy player transfers of Palmer (Chelsea) and Huddart (Arsenal)

The key performance indicators discussed above are further detailed in Notes 2 and 4 to the financial statements These revenue and cost centres are monitored regularly by the Board against detailed budgets

Property valuation

As required by UK GAAP, the Valley stadium and the Sparrows Lane Training Ground are re-valued every five years by a qualified chartered surveyor, with 2012/13 being the fifth year in that cycle The valuation was performed by DTZ Debenham Tie Leung Ltd on the existing use basis (specifically Depreciated Replacement Cost) and it has resulted in a £9 6m increase on the previous valuation This increase in value is not recognised in the Profit and Loss Account as it does not represent a permanent, realised gain to the Company, instead it is reported through the Statement of Total Recognised Gains and Losses and recognised in the Balance Sheet as an increase in both Tangible Fixed Assets and Revaluation Reserve

Bank loans

Bank loans continued to be repaid during the year at a significant rate, resulting in a £1 6m reduction in the bank loan balance as at 30 June 13, the loan balance standing at £4 2m as at 30 June 13

Principal risks and uncertainties

The key performance indicators detailed above are linked to the on-field performance and therefore the principal risk facing the group is the performance and divisional status of Charlton Athletic Football Club This has a significant impact on the level of revenue streams generated by the group and its ability to trade profitably

Results and dividend

The loss for the year, after taxation, amounted to £5,985,000 (2012 - £6,816,000)

The directors do not recommend the payment of a dividend

Directors

The directors who served during the year were

R Duchâtelet (appointed 3 January 2014)
K Meire (appointed 3 January 2014)
R A Murray
M R Slater
T M Jimenez (resigned 3 January 2014)
M C Prothero (appointed 31 July 2012 & resigned 3 January 2014)
S Kavanagh (resigned 26 July 2012)
P D Varney (resigned 13 July 2012)

Directors' and officers' liability insurance

During the year the group has maintained cover for its directors and officers under a directors' and officers' liability insurance policy

Post balance sheet event

On 3 January 2014 the ownership structure of the group changed CAFC Holdings Limited disposed of its interest in Baton 2010 Limited to Staprix NV, a company that is 95% owned by Roland Duchâtelet

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year 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) 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 judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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 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

Payments policy

The group does not have a standard creditor payment policy Payment terms are normally agreed with suppliers at the time of placing orders All suppliers fulfilling the conditions of the order will be paid in accordance with the terms agreed Trade creditors represented 77 days of annual purchases, when the effect of major capital works and player purchases are excluded

Political and charitable contributions

There were no charitable donations (2012 £nil) The group provides match tickets, hospitality and signed memorabilia for numerous charitable organisations, local schools and youth teams The group also provides certain administrative resources to the South of England Foundation, a registered charity that trades as the Charlton Athletic Community Trust These resources are not material and have not been quantified The company also facilitated fundraising for a variety of charitable organisations on matchdays at the Valley There were no political donations (2012 £nil)

Employee involvement

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company This is achieved through formal and informal meetings and the group's website The group operates an equal opportunity policy for recruitment and training development which gives equal opportunities to all employees regardless of age, gender, colour, race, religion or ethnic origin The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person Where existing employees become disabled it is the group's policy wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees where appropriate The group has a committee which is responsible for all aspects of its health, safety and environmental policies which meets regularly to discharge the group's responsibilities in these areas

Auditors

The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information

This report was approved by the board on 17 January 2014 and signed on its behalf

M R Slater
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BATON 2010 LIMITED

We have audited the financial statements of Baton 2010 Limited for the year ended 30 June 2013, set out on pages 8 to 26 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2013 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BATON 2010 LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the 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

Nyman Libson Paul

Richard Paul (Senior statutory auditor)

for and on behalf of
Nyman Libson Paul

Chartered Accountants
Statutory Auditors

Regina House
124 Finchley Road
London
NW3 5JS

17 January 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 £000	2012 £000
TURNOVER	1,2	11,915	8,552
Administrative expenses		(19,265)	(15,976)
OPERATING LOSS	3	(7,350)	(7,424)
Profit on disposal of players		1,736	1,013
Interest payable and similar charges	6	(371)	(405)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,985)	(6,816)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL YEAR		(5,985)	(6,816)

All amounts relate to continuing operations

The notes on pages 13 to 26 form part of these financial statements

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 £000	2012 £000
LOSS FOR THE FINANCIAL YEAR		(5,985)	(6,816)
Unrealised surplus on revaluation of tangible fixed assets		9,620	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		3,635	(6,816)

The notes on pages 13 to 26 form part of these financial statements

BATON 2010 LIMITED
REGISTERED NUMBER. 07326155

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2013

	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Intangible assets	8		1,034		1,272
Tangible assets	9		40,837		32,064
			41,871		33,336
CURRENT ASSETS					
Stocks	11	28		40	
Debtors	12	1,066		1,053	
Cash at bank and in hand		43		49	
		1,137		1,142	
CREDITORS amounts falling due within one year	13	(8,173)		(9,226)	
NET CURRENT LIABILITIES			(7,036)		(8,084)
TOTAL ASSETS LESS CURRENT LIABILITIES			34,835		25,252
CREDITORS. amounts falling due after more than one year	14		(29,663)		(23,715)
NET ASSETS			5,172		1,537
CAPITAL AND RESERVES					
Called up share capital	16		-		-
Share premium account	17		3,000		3,000
Revaluation reserve	17		9,620		-
Other reserves	17		9,075		9,075
Profit and loss account	17		(16,523)		(10,538)
SHAREHOLDERS' FUNDS	18		5,172		1,537

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 January 2014

M R Slater
Director

The notes on pages 13 to 26 form part of these financial statements

COMPANY BALANCE SHEET
AS AT 30 JUNE 2013

	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Investments	10		-		-
CURRENT ASSETS					
Debtors	12	18,373		9,943	
CREDITORS: amounts falling due within one year	13	-		(7)	
NET CURRENT ASSETS			18,373		9,936
TOTAL ASSETS LESS CURRENT LIABILITIES			18,373		9,936
CREDITORS: amounts falling due after more than one year	14		(15,387)		(6,943)
NET ASSETS			2,986		2,993
CAPITAL AND RESERVES					
Called up share capital	16		-		-
Share premium account	17		3,000		3,000
Profit and loss account	17		(14)		(7)
SHAREHOLDERS' FUNDS	18		2,986		2,993

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 January 2014

M R Slater
Director

The notes on pages 13 to 26 form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 £000	2012 £000
Net cash flow from operating activities	19	(4,636)	(4,763)
Returns on investments and servicing of finance	20	(371)	(405)
Capital expenditure and financial investment	20	(923)	(784)
CASH OUTFLOW BEFORE FINANCING		(5,930)	(5,952)
Financing	20	5,932	5,767
INCREASE/(DECREASE) IN CASH IN THE YEAR		2	(185)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)
FOR THE YEAR ENDED 30 JUNE 2013

	2013 £000	2012 £000
Increase/(Decrease) in cash in the year	2	(185)
Cash inflow from increase in debt and lease financing	(5,932)	(5,767)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(5,930)	(5,952)
New finance lease	-	(115)
MOVEMENT IN NET DEBT IN THE YEAR	(5,930)	(6,067)
Net debt at 1 July 2012	(21,919)	(15,852)
NET DEBT AT 30 JUNE 2013	(27,849)	(21,919)

The notes on pages 13 to 26 form part of these financial statements

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards

1.2 Going concern

On 3 January 2014 Staprix NV, a company incorporated in Belgium, acquired Baton 2010 Limited

The board of directors has reviewed the future cash flow projections of the group and in their opinion, subject to the ongoing support of the group's bankers and Staprix NV, the group is able to continue its normal day to day operations for at least 12 months from the date of approval of these financial statements Accordingly the accounts have been prepared on a going concern basis

1 3 Basis of consolidation

The financial statements consolidate the accounts of Baton 2010 Limited and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the year are included from the effective date of acquisition

1.4 Turnover

Turnover represents income receivable from football and related commercial activities excluding transfer fees receivable and value added tax Broadcast and match day income is recognised when related matches are played Advance season tickets are included within deferred income and released to turnover in the relevant season

1.5 Revaluation of tangible fixed assets

Freehold property and leasehold improvements are fully revalued every five years with an interim valuation carried out three years into every five year period Leasehold improvements at The Valley stadium are carried out at depreciated replacement cost, other freehold properties are carried at existing use value and other leasehold improvements are included at cost

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold buildings	-	2%
Leasehold improvements	-	2%
Interior fit outs	-	10% - 20%
Ground and office equipment	-	20% - 33 33%

1. ACCOUNTING POLICIES (continued)

1.7 Goodwill

Negative goodwill arising on the acquisition of subsidiaries in the period ending 30 June 2011 is credited to other reserves This is not in accordance with FRS 10, which requires that negative goodwill should be presented as a negative asset immediately below the goodwill heading on the balance sheet Since the negative goodwill materially relates to assets which are neither depreciated or held for resale, the negative goodwill could remain on the balance sheet as a negative asset indefinitely The directors consider that the treatment required by FRS 10 would not show a true and fair view, as it would not properly reflect the particular transaction or correctly state the net assets of the group The treatment adopted is not inconsistent with the requirements of the Companies Act 2006

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.9 Stocks

Stocks which comprise goods for resale are valued at the lower if cost and net realisable value

1 10 Grants received

Grants received in respect of safety work and ground improvements are treated as deferred income and released to the profit and loss account over the estimated useful life of the assets to which they relate

1.11 Long term season ticket schemes

The net amount received by the company through long term season ticket schemes is treated as deferred income in the balance sheet and is released to the profit and loss account over the period in which the investors receive their season ticket

1.12 Players' registrations

The cost of obtaining players' registrations are capitalised as intangible assets and amortised evenly over the period of the respective players' contracts These costs include transfer fees, transfer levies and agents' fees Payments contingent on the occurence of uncertain future events are recognised when the event takes place Players' registrations are written down for impairment when the individual player's carrying value exceeds the amount recoverable through use or sale

1 13 Signing on and loyalty payments

Signing on fees are recognised in the profit and loss account evenly over the period covered by the players' contract Loyalty payments are accrued to the profit and loss account for the period to which they relate

1. ACCOUNTING POLICIES (continued)

1.14 Deferred taxation

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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

1.15 Leasing and hire purchase

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful economic lives The outstanding liabilities under the agreements less interest not yet due are amortised evenly over the term of the debt The interest element of these obligations is charged to the profit and loss account over the terms of the relevant agreements Rentals payable under operating leases are charged to the profit and loss account as incurred

1 16 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.17 Pensions

Defined contribution pension payments are made for certain employees and are charged to the profit and loss account as they are incurred

2 TURNOVER

Turnover, all of which arises in the United Kingdom, is stated net of value added tax and compriss

	2013	2012
	£000	£000
Television and broadcast	4,096	1,146
Ticket income and match day activities	5,633	5,120
Commercial	1,429	1,851
Other	757	435
	11,915	8,552

3. OPERATING LOSS

The operatıng loss ıs stated after chargıng

	2013	2012
	£000	£000
Amortısatıon - ıntangıble fixed assets	1,006	672
Deprecıatıon of tangıble fixed assets		
- owned by the group	1,002	1,009
Audıtors' remuneratıon	23	23
Audıtors' remuneratıon - non-audıt	5	5
Operatıng lease rentals		
- plant and machınery	74	54
- other operatıng leases	160	178

Audıtors fees for the company were £5,000 (2012 - £5,000)

4. STAFF COSTS

Staff costs were as follows

	2013	2012
	£000	£000
Wages and salarıes	10,693	7,985
Socıal securıty costs	1,274	859
Other pensıon costs	10	26
	11,977	8,870

The average monthly number of employees, ıncludıng the dırectors, durıng the year was as follows

	2013	2012
	No.	No
Full tıme playıng, traınıng and football management	90	73
Admınıstratıon, commercıal and stadıum maıntenance	56	55
	146	128

In addıtıon, the group employs approxımately 352 (2012 367) temporary staff on match days

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

5. DIRECTORS' REMUNERATION

	2013 £000	2012 £000
Emoluments	13	150
Fees	150	129
Pension contributions	1	15
	164	294

During the year, retirement benefits were accruing to 1 director (2012 1) in respect of money purchase schemes

The highest paid director received fees of £150,000 (2012 remuneration of £150,000)

The value of the group's contributions paid to a defined contribution scheme in respect of the highest paid director amounted to £1,000 (2012 £15,000)

6. INTEREST PAYABLE

	2013 £000	2012 £000
On bank loans and overdrafts	360	384
On finance leases and hire purchase contracts	11	21
	371	405

7. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £000	2012 £000
Loss on ordinary activities before tax	(5,985)	(6,816)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	(1,436)	(1,772)
Effects of.		
Depreciation for year in excess of capital allowances	174	194
Non-taxable income	(55)	(64)
Tax losses arising in the period	1,317	1,642
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

The group has tax losses of approximately £65 million (2012 £59 million) available to carry forward against future trading profits

8. INTANGIBLE FIXED ASSETS

Group	Players' registrations £000
Cost	
At 1 July 2012	1,455
Additions	813
Disposals	(112)
At 30 June 2013	2,156
Amortisation	
At 1 July 2012	183
Charge for the year	1,006
On disposals	(67)
At 30 June 2013	1,122
Net book value	
At 30 June 2013	1,034
At 30 June 2012	1,272

9. TANGIBLE FIXED ASSETS

Group	Freehold properties £000	Leasehold improvements £000	Ground and office equipment £000	Total £000
Cost or valuation				
At 1 July 2012	5,810	27,823	272	33,905
Additions	-	20	135	155
Disposals	-	(42)	-	(42)
Revaluation surplus	4,540	2,465	-	7,005
At 30 June 2013	10,350	30,266	407	41,023
Depreciation				
At 1 July 2012	-	1,725	116	1,841
Charge for the year	-	932	70	1,002
On disposals	-	(42)	-	(42)
On revalued assets	-	(2,615)	-	(2,615)
At 30 June 2013	-	-	186	186
Net book value				
At 30 June 2013	10,350	30,266	221	40,837
At 30 June 2012	5,810	26,098	156	32,064

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2013 £000	2012 £000
Ground and office equipment	69	92

Cost or valuation at 30 June 2013 is as follows

Group	Land and buildings £000
At cost	-
At valuation.	
30 June 2013	40,616
	40,616

10. FIXED ASSET INVESTMENTS

	2013 £
Cost or valuation	
At 1 July 2012	151
At 30 June 2013	151

Company name	Country	Percentage Shareholding	Description
Charlton Athletic Football Company Limited	United Kingdom	100%	Professional football club
Charlton Athletic Holdings Limited	United Kingdom	100%	Property investment

11. STOCKS

	Group		Company	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Goods for resale	28	40	-	-

12. DEBTORS

	Group		Company	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Trade debtors	378	531	-	-
Amounts owed by group undertakings	-	-	18,373	9,943
Prepayments and accrued income	688	522	-	-
	1,066	1,053	18,373	9,943

13 CREDITORS.
Amounts falling due within one year

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Bank loans and overdrafts	2,209	2,217	-	-
Other loans	-	250	-	-
Net obligations under finance leases and hire purchase contracts	42	39	-	-
Trade creditors	1,184	1,523	-	-
Other taxation and social security	936	1,009	-	-
Other creditors	47	83	-	-
Accruals and deferred income	3,755	4,105	-	7
	8,173	9,226	-	7

For details of security on bank loans and overdrafts see note 14

14 CREDITORS:
Amounts falling due after more than one year

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Bank loans	2,584	4,177	-	-
Other loans	7,670	8,300	-	-
Amounts owed to parent company	15,387	6,943	15,387	6,943
Net obligations under finance leases and hire purchase contracts	-	42	-	-
Grants received	3,801	3,907	-	-
Accruals and deferred income	221	346	-	-
	29,663	23,715	15,387	6,943

14. CREDITORS.
Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Between one and five years	-	42	-	-

Included in other loans are loans from former directors of Charlton Athletic Football Company Limited of £4,400,000 (2011 £4,400,000) which are interest free and repayments commence only on promotion of the football club to the Premier League

Also included are loans from R A Murray totalling £3,270,000 (2012 £4,150,000) Repayment of the other loan commences only on promotion of the football club to the Premier League

At 30 June the group had the following bank loans

- £1,643,020 at a floating rate of 2 5% above LIBOR base rate per annum
- £1,934,017 at a floating rate of 2 5% above LIBOR base rate per annum
- £600,000 at a a floating rate of 3 0% above LIBOR base rate per annum

The loans are repayable by 31 December 2015 in instalments, repayments having commenced on 30 November 2011, as follows

	2013	**2012**
	£000	**£000**
Between one and two years	1,593	1,593
Between two and five years	990	2,584
	2,583	4,177
Within 1 year	1,594	1,594
	4,177	5,771

The bank loans and overdrafts are secured by fixed and floating charges over the assets of the company and its subsidiaries

15. DEFERRED TAXATION

The deferred tax asset of £12,877,000 (2012 £12,060,000) has not been recognised in respect of timing differences relating to tax losses as there is insufficient evidence that this asset will be recovered The asset will be recovered if there are taxable profits arising in the future

No liability for deferred taxation of £1,665,000 (2012 £757,000) has been provided which would arise if the freehold properties are disposed of at the revalued amounts as there is no intention to dispose of the properties for the foreseeable future

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
At beginning and end of year	-	-	-	-

16 SHARE CAPITAL

	2013	2012
	£	£
Allotted called up and fully paid		
1,000 ordinary shares of £0 10 each	100	100

17 RESERVES

Group	**Share premium account £000**	**Revaluation reserve £000**	**Other reserves £000**	**Profit and loss account £000**
At 1 July 2012	3,000	-	9,075	(10,538)
Loss for the financial year	-	-	-	(5,985)
Surplus on revaluation of freehold property	-	4,540	-	-
Surplus on revaluation of leasehold property	-	5,080	-	-
At 30 June 2013	3,000	9,620	9,075	(16,523)

Other reserves arises from negative goodwill in subsidiaries acquired

Company	**Share premium account £000**	**Profit and loss account £000**
At 1 July 2012	3,000	(7)
Loss for the financial year	-	(7)
At 30 June 2013	3,000	(14)

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2013 £000	2012 £000
Opening shareholders' funds	1,537	8,353
Loss for the financial year	(5,985)	(6,816)
Other recognised gains and losses during the year	9,620	-
Closing shareholders' funds	5,172	1,537

Company	2013 £000	2012 £000
Opening shareholders' funds	2,993	3,000
Loss for the financial year	(7)	(7)
Closing shareholders' funds	2,986	2,993

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The loss for the year dealt with in the accounts of the company was £7,000 (2012 - £7,000)

19 NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £000	2012 £000
Operating loss	(7,350)	(7,424)
Amortisation of intangible fixed assets	1,006	672
Depreciation of tangible fixed assets	1,002	1,009
Profit on disposal of players	1,736	1,013
Decrease in stocks	12	83
(Increase)/decrease in debtors	(13)	156
Decrease in creditors	(1,029)	(272)
Net cash outflow from operating activities	(4,636)	(4,763)

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £000	2012 £000
Returns on investments and servicing of finance		
Interest paid	(360)	(384)
Hire purchase interest	(11)	(21)
Net cash outflow from returns on investments and servicing of finance	(371)	(405)

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2013 £000	2012 £000
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(813)	(818)
Sale of intangible fixed assets	45	72
Purchase of tangible fixed assets	(155)	(38)
Net cash outflow from capital expenditure	(923)	(784)

	2013 £000	2012 £000
Financing		
Repayment of bank loans	(1,593)	(1,014)
Repayment of other loans	(880)	(128)
New parent company loans	8,444	6,943
Repayment of finance leases	(39)	(34)
Net cash inflow from financing	5,932	5,767

21. ANALYSIS OF CHANGES IN NET DEBT

	1 July 2012 £000	Cash flow £000	Other non-cash changes £000	30 June 2013 £000
Cash at bank and in hand	49	(6)	-	43
Bank overdraft	(623)	8	-	(615)
	(574)	2	-	(572)
Debt.				
Finance leases	(81)	39	-	(42)
Debts due within one year	(1,844)	(5,971)	6,221	(1,594)
Debts falling due after more than one year	(19,420)	-	(6,221)	(25,641)
Net debt	(21,919)	(5,930)	-	(27,849)

22. CONTINGENT LIABILITIES

Additional transfer and agents fees of £724,341 (2012 £777,500) will become payable depending on the players making specific numbers of appearances, gaining international honours and on field playing success

Additional fees are receivable of £2,965,000 (2012 £3,840,000) where players sold make specific numbers of appearances, gain international honours or achieve on field success

23. OPERATING LEASE COMMITMENTS

At 30 June 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings			**Other**
	2013	2012	**2013**	2012
Group	**£000**	£000	**£000**	£000
Expiry date:				
Within 1 year	-	-	127	54
Between 2 and 5 years	64	64	42	87
Total	64	64	169	141

24. RELATED PARTY TRANSACTIONS

At 30 June 2013, R A Murray personally guaranteed the bank overdraft facility up to £800,000

During the year transactions took place between the football company and certain directors in relation to match tickets and commercial packages These transactions were on normal commercial terms and were not significant to any of the parties

25. POST BALANCE SHEET EVENTS

On 3 January 2014 the ownership structure of the group changed CAFC Holdings Limited disposed of its interest in Baton 2010 Limited to Staprix NV, a company that is 95% owned by Roland Duchâtelet Amounts owed to CAFC Holdings Limited, as disclosed in note 14, have been transferred to Staprix NV following the change in ownership of the company

Since the year end the disposal of players' registrations including contingency fees has generated income of £570,000

26. CONTROLLING PARTY

The company's parent company and ultimate controlling party is Staprix NV, a company registered in Belgium, which is 95% owned by Roland Duchâtelet