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**ALTONWOOD LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 JUNE 1997**



**ALTONWOOD LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 1997**

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**ALTONWOOD LIMITED**  
**COMPANY INFORMATION**  
**AS AT 30 JUNE 1997**

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**DIRECTORS**

R G Noades  
B Coleman OBE  
Mrs L N Noades  
D W Waddington  
D A Miller

**SECRETARY**

D A Miller

**REGISTERED OFFICE**

FWP House  
Bourne Court  
Southend Road  
Woodford Green  
Essex IG8 8HD

**REGISTERED NUMBER**

1536806

**AUDITORS**

The Fordham Waddington Partnership  
Chartered Accountants  
FWP House  
17 Bourne Court  
Southend Road  
Woodford Green  
Essex IG8 8HD

# **ALTONWOOD LIMITED**

## **DIRECTORS' REPORT**

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The directors present their annual report with the financial statements of the group for the year ended 30 June 1997.

### **PRINCIPAL ACTIVITIES**

The principal activity of the group in the year under review is that of a professional Football League Club.

The principal activities of the company are that of a holding, management and investment company.

The directors are satisfied with the group's performance during the year.

No significant change in the nature of these activities occurred during the year.

### **REVIEW OF THE BUSINESS**

The net loss after providing for taxation amounted to £209,503.

During the year the Club competed in the Endsleigh League First Division. In the 1997/98 football season the Club will compete in the Premier League.

Adequate finance has been obtained to continue to improve the company's premises and the directors consider the state of affairs to be satisfactory.

### **DIVIDENDS**

The directors have paid a number of interim dividends during the year amounting to £28,040.

### **POST BALANCE SHEET EVENTS**

On the 12 November 1997 the company entered into an agreement with Mr M Goldberg which gives him the option to buy the company's shareholding in Crystal Palace F.C. (1986) Limited.

### **FUTURE DEVELOPMENTS**

It is anticipated that there will be a significant increase in turnover as a direct result of the club's promotion to the Premier League.

### **FIXED ASSETS**

The directors are of the opinion, based on various valuations prepared by Messrs Edward Symons & Partners, that the value of the freehold interest in Selhurst Park Stadium at 30 June 1997 (so far as the Group is concerned) is not less than £25,000,000. They have therefore incorporated that value in the group balance sheet. The directors are also of the opinion that the value of the company's freehold interest in the stadium at 30 June 1997 is not less than £6,000,000. That value has been incorporated in the company's balance sheet.

The directors have also considered the value of the company's investment in its' subsidiary companies and, having regard to the option mentioned above, have concluded that the value of the company's interest in Crystal Palace F.C. (1986) Limited is not less than £20,000,000. This revaluation has been incorporated in these accounts.

# ALTONWOOD LIMITED

## DIRECTORS' REPORT

### DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

	Ordinary Shares of £1 each	
	1997	1996
R G Noades	29,389	29,389
B Coleman OBE	17,248	17,248
Mrs L N Noades	-	-
D W Waddington	-	-
D A Miller	-	-

### DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### EMPLOYMENT OF DISABLED PERSONS

It is company policy to recruit disabled persons for appropriate positions. Once employed, whatever assistance is necessary in terms of training and career advancement is given.

### EMPLOYEE INVOLVEMENT

The company is committed to communication with employees by its established system of keeping employees informed of performance, development and progress through briefings by management, the club's monthly newspaper, Palace News, and widely distributed news and information bulletins.

### POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, a subsidiary company made charitable contributions totalling £650 and the company made the following political contributions:

Mr M Wicks MP (Lab) £ 500  
Mr R Ottaway MP (Con) £ 500

### INSURANCE

During the financial year the company purchased and maintained liability insurance for its directors and officers as permitted by section 310(3) of the Companies Act 1985.

### CLOSE COMPANY

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

**ALTONWOOD LIMITED**

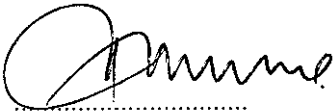
**DIRECTORS' REPORT**

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**AUDITORS**

The auditors, The Fordham Waddington Partnership, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the board:



D A Miller  
Secretary

Approved by the board: 28.3.98

## ALTONWOOD LIMITED

### AUDITORS' REPORT

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We have audited the financial statements on pages 6 to 32 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of accounting policies set out on pages 11 and 12.

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 June 1997 and of the group loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



The Fordham Waddington Partnership  
Chartered Accountants  
Registered Auditors  
FWP House  
17 Bourne Court  
Southend Road  
Woodford Green  
Essex IG8 8HD

22.4.98

**ALTONWOOD LIMITED**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 1997**

	Notes	1997 £	1996 £
<b>TURNOVER</b>		8,748,777	6,426,051
Cost of sales		7,339,740	6,068,149
<b>GROSS PROFIT</b>		1,409,037	357,902
Administrative expenses		2,044,494	1,686,311
Loss before transfer fees and interest	33	(635,457)	(1,328,409)
Other operating income - net transfer fees	2	1,028,332	6,311,883
<b>OPERATING PROFIT</b>	3	392,875	4,983,474
Investment income and interest receivable	4	5,950	15,685
Amounts written off investments		-	(57,000)
Interest payable and similar charges	5	(608,328)	(655,920)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(209,503)	4,286,239
Tax on loss on ordinary activities	8	-	(14,483)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(209,503)	4,271,756
Dividends	9	(28,040)	-
		(237,543)	4,271,756
Minority interests	28	98,983	(610,836)
<b>ACCUMULATED LOSS FOR THE FINANCIAL YEAR</b>	26	(138,560)	3,660,920

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 11 to 32 form part of these financial statements.



**ALTONWOOD LIMITED**

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 JUNE 1997**

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	1997 £	1996 £
Loss for the financial year after taxation	(209,503)	4,271,756
Unrealised movement on revaluation of properties	16,590,704	(57,000)
<b>TOTAL RECOGNISED GAINS RELATING TO THE YEAR</b>	<u>16,381,201</u>	<u>4,214,756</u>

The notes on pages 11 to 32 form part of these financial statements.

**ALTONWOOD LIMITED**  
**GROUP BALANCE SHEET**  
**AT 30 JUNE 1997**

	Notes	£	1997 £	£	1996 £
<b>FIXED ASSETS</b>					
Tangible assets	10		34,120,992		13,538,191
Investments	11		911,374		591,481
			<u>35,032,366</u>		<u>14,129,672</u>
<b>CURRENT ASSETS</b>					
Stocks	13	215,738		158,638	
Debtors	14	2,425,456		2,502,091	
Investments	15	3,339		-	
Cash at bank and in hand		491,951		582,555	
		<u>3,136,484</u>		<u>3,243,284</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	(12,753,210)		(9,573,768)	
<b>NET CURRENT LIABILITIES</b>			(9,616,726)		(6,330,484)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>25,415,640</u>		<u>7,799,188</u>
<b>CREDITORS: amounts falling due after more than one year</b>	17		(4,870,426)		(3,638,391)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	20		(5,128,615)		(3,750)
<b>NET ASSETS</b>			<u>15,416,599</u>		<u>4,157,047</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		54,300		54,300
Share premium account	22		6,750		6,750
Revaluation reserve	23		11,508,345		11,250
Consolidation reserve	25		368,162		371,493
Profit and loss account	26		3,104,194		3,242,754
<b>SHAREHOLDERS' FUNDS</b>	27		<u>15,041,751</u>		<u>3,686,547</u>
Minority interest	28		374,848		470,500
			<u>15,416,599</u>		<u>4,157,047</u>

The financial statements were approved by the board of directors on 28.3.98  
and signed on its behalf by:

  
R G Noades

The notes on pages 11 to 32 form part of these financial statements.

**ALTONWOOD LIMITED**  
**COMPANY BALANCE SHEET**  
**AT 30 JUNE 1997**

		1997	1996
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	10	6,294,521	1,632,944
Investments	12	20,112,971	2,466,702
		<u>26,407,492</u>	<u>4,099,646</u>
<b>CURRENT ASSETS</b>			
Debtors	14	2,462,648	1,788,672
Cash at bank and in hand		203,813	24
		<u>2,666,461</u>	<u>1,788,696</u>
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(2,056,971)</u>	<u>(1,522,687)</u>
<b>NET CURRENT ASSETS</b>		609,490	266,009
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>27,016,982</u>	<u>4,365,655</u>
<b>CREDITORS: amounts falling due after more than one year</b>	17	(316,185)	(680,657)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	20	<u>(7,435,050)</u>	<u>(553,280)</u>
<b>NET ASSETS</b>		<u><u>19,265,747</u></u>	<u><u>3,131,718</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	54,300	54,300
Share premium account	22	6,750	6,750
Revaluation reserve	23	16,548,976	1,089,387
Other reserves	24	4,900	4,900
Profit and loss account	26	<u>2,650,821</u>	<u>1,976,381</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	27	<u><u>19,265,747</u></u>	<u><u>3,131,718</u></u>

The financial statements were approved by the board of directors on 28.3.98  
and signed on its behalf by:



R G Noades  
Director

The notes on pages 11 to 32 form part of these financial statements.

**ALTONWOOD LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 1997**

	Notes	1997 £	1996 £
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	3	2,512,060	1,399,245
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	29	(585,498)	(708,292)
<b>TAXATION</b>	29	(11,146)	-
<b>CAPITAL EXPENDITURE</b>	29	(4,475,653)	(3,641,289)
<b>ACQUISITIONS AND DISPOSALS</b>	29	240	-
<b>EQUITY DIVIDENDS PAID</b>		(28,040)	-
Cash outflow before use of liquid resources and financing		(2,588,037)	(2,950,336)
<b>MANAGEMENT OF LIQUID RESOURCES</b>	29	(3,339)	379,538
<b>FINANCING</b>	29	2,692,589	1,791,957
<b>INCREASE IN CASH IN THE YEAR</b>		<u>101,213</u>	<u>(778,841)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

30

<b>INCREASE IN CASH IN THE YEAR</b>	101,213	(778,841)
Cash inflow from increase in debt and lease financing	(2,692,589)	(1,791,957)
Cash outflow from increase in liquid resources	3,339	(379,538)
Change in net debt resulting from cash flows	(2,588,037)	(2,950,336)
New finance leases	(265,604)	(354,115)
Movement in net debt in the year	(2,853,641)	(3,304,451)
Net debt at 1 July 1996	(8,241,711)	(4,937,260)
Net debt at 30 June 1997	<u>(11,095,352)</u>	<u>(8,241,711)</u>

The notes on pages 11 to 32 form part of these financial statements.

# ALTONWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

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### 1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and include the results of the group's operations as indicated in the directors' report and are in accordance with applicable accounting standards.

#### Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

#### Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold land and buildings	straight line over fifty or one hundred years
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance
Equipment, fixtures and tools	15% reducing balance

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

#### Investments

Investments held as fixed assets are stated at cost or revaluation less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are brought to account in the profit and loss account when received.

#### Investment properties

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Deficits that are expected to be permanent are written off to the profit and loss account. No amortisation or depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to expiry. Leasehold investment properties with 20 years or less to expiry are amortised over the period of the lease.

This is a change in accounting policy to fully implement the requirements of Statement of Standard Accounting practice No. 19. Amortisation and depreciation had previously been charged on all properties. The effects of this change are shown in note 35.

#### Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

# ALTONWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

### 1. STATEMENT OF ACCOUNTING POLICIES - (continued)

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

#### Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

#### Pension costs

The company operates a defined contribution pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

#### Grants

Grants received from the Football Trust in respect of operating costs of the company are dealt with in the profit and loss account in the period in which the related expenditure is incurred.

Grants received from the Football Trust for ground improvements are credited against the relevant capital expenditure.

#### Transfer Fees

Transfer fees are charged to the profit and loss account of the company as they are incurred and credited as they are receivable. The directors do not consider it appropriate to adopt any alternative accounting policy, which would capitalise transfer fees payable, as they do not believe it to be practicable to assess the period over which such capitalised costs should be amortised. As a result no value is attributed in the company's Balance Sheet to the squad of players.

### 2. OTHER OPERATING INCOME - TRANSFER FEES

	1997 £	1996 £
Transfer fees receivable	3,335,667	14,000,250
Transfer fees payable	(2,307,335)	(7,688,367)
	<u>1,028,332</u>	<u>6,311,883</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**3. OPERATING PROFIT**

<b>Operating profit is stated:</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>After charging:</b>		
Depreciation of fixed assets	284,738	226,542
Amortisation of assets	182,936	161,609
Auditors' remuneration	26,950	25,405
Non-audit service remuneration paid to auditors	16,408	10,000
Hire of equipment	560	-
Loss on foreign currencies	612	-
Operating lease rentals		
Plant and machinery	6,795	-
	<u>6,795</u>	<u>-</u>

**Reconciliation of operating profit to net cash inflow from operating activities**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Operating profit	392,875	4,983,474
Depreciation	284,738	226,542
Amortisation	182,936	161,609
Profit on disposal of fixed assets	(2,491)	61,692
Increase in stocks	(57,101)	(1,742)
Decrease in debtors	83,646	(1,854,017)
Increase in creditors	1,627,457	(2,178,313)
<b>Net cash inflow from operating activities</b>	<u><b>2,512,060</b></u>	<u><b>1,399,245</b></u>

**4. INVESTMENT INCOME AND INTEREST RECEIVABLE**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>Interest received and receivable</b>		
Bank interest	3,293	6,347
Other interest	2,657	9,338
	<u>5,950</u>	<u>15,685</u>

**ALTONWOOD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 1997**

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	1997 £	1996 £
On bank loans and overdrafts	540,478	586,935
On other loans repayable in full within five years	19,301	28,042
On other loans repayable after five years	-	15,746
On overdue tax	62	211
Lease finance charges and hire purchase interest	48,487	24,986
	<u>608,328</u>	<u>655,920</u>

**6. INFORMATION ON DIRECTORS AND EMPLOYEES**

	1997 £	1996 £
<b>Staff costs</b>		
Wages and salaries	4,995,123	4,065,886
Social security costs	428,019	364,284
Other pension costs	217,594	203,753
	<u>5,640,736</u>	<u>4,633,923</u>

	1997 No.	1996 No.
The average monthly number of employees during the year was made up as follows:		
Playing and management staff	63	69
Ground staff	19	14
Administration	12	10
Sales and marketing	35	33
Match day and other part time staff	406	446
	<u>535</u>	<u>572</u>

	1997 £	1996 £
<b>Directors' emoluments</b>		
Remuneration for management services	330,592	332,666
Pension contributions	28,703	21,680
	<u>359,295</u>	<u>354,346</u>

Remuneration of highest paid director		
Emoluments	236,040	117,032
Pension contributions	28,703	21,680
	<u>264,743</u>	<u>138,712</u>



# ALTONWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

### 7. PENSION COSTS

#### Defined contribution scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £217,594 (1996 - £203,753).

### 8. TAX ON LOSS ON ORDINARY ACTIVITIES

	1997 £	1996 £
The taxation charge comprises:		
UK Corporation tax at 23.25% (1996 - 24.25%)	-	14,483

### 9. DIVIDENDS PAID OR PROPOSED

	1997 £	1996 £
On ordinary shares:		
Interim dividend paid to minority shareholders of subsidiary company	28,040	-

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**10. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation:</b>					
At 1 July 1996	13,154,035	670,145	522,220	451,932	14,798,332
Additions	4,013,885	200,845	166,934	231,278	4,612,942
Revaluations	16,531,811	-	-	-	16,531,811
Disposals	-	-	-	(176,143)	(176,143)
At 30 June 1997	<u>33,699,731</u>	<u>870,990</u>	<u>689,154</u>	<u>507,067</u>	<u>35,766,942</u>
<b>Depreciation:</b>					
At 1 July 1996	601,585	219,670	305,403	133,482	1,260,140
Charge for year	206,062	95,763	57,543	103,387	462,755
On disposals	-	-	-	(76,945)	(76,945)
At 30 June 1997	<u>807,647</u>	<u>315,433</u>	<u>362,946</u>	<u>159,924</u>	<u>1,645,950</u>
<b>Net book value:</b>					
At 30 June 1997	<u>32,892,084</u>	<u>555,557</u>	<u>326,208</u>	<u>347,143</u>	<u>34,120,992</u>
At 30 June 1996	<u>12,552,451</u>	<u>450,474</u>	<u>216,817</u>	<u>318,449</u>	<u>13,538,191</u>

	1997 £	1996 £
<b>Analysis of net book value of land and buildings:</b>		
Freehold	32,647,294	12,302,551
Long leasehold	244,790	249,900
	<u>32,892,084</u>	<u>12,552,451</u>

Included above are assets held under finance leases or hire purchase contracts as follows:-

	1997 £	1996 £
<b>Net book values:</b>		
Plant and machinery	161,851	113,881
Motor vehicles	297,424	258,831
	<u>459,275</u>	<u>372,712</u>
<b>Depreciation charge for the year:</b>		
Plant and machinery	28,560	20,100
Motor vehicles	82,370	30,565
	<u>110,930</u>	<u>50,665</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

**ALTONWOOD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 1997**

**10. TANGIBLE FIXED ASSETS - (continued)**

The directors have valued certain of the freehold properties at £25,467,000 including the freehold of Selhurst Park Stadium at £25,000,000. This has resulted in a valuation surplus of £16,531,811. The balance of the freehold and long leasehold properties are shown at cost.

**The Company**

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation:</b>				
At 1 July 1996	1,614,390	10,000	30,159	1,654,549
Revaluations	4,695,850	-	-	4,695,850
Disposals	-	-	(30,159)	(30,159)
At 30 June 1997	<u>6,310,240</u>	<u>10,000</u>	<u>-</u>	<u>6,320,240</u>
<b>Depreciation:</b>				
At 1 July 1996	16,250	2,775	2,580	21,605
Charge for year	5,610	1,084	-	6,694
On disposals	-	-	(2,580)	(2,580)
At 30 June 1997	<u>21,860</u>	<u>3,859</u>	<u>-</u>	<u>25,719</u>
<b>Net book value:</b>				
At 30 June 1997	<u>6,288,380</u>	<u>6,141</u>	<u>-</u>	<u>6,294,521</u>
At 30 June 1996	<u>1,598,140</u>	<u>7,225</u>	<u>27,579</u>	<u>1,632,944</u>

Included above are assets held under finance leases or hire purchase contracts as follows:-

	1997 £	1996 £
Net book values:		
Motor vehicles	<u>-</u>	<u>27,580</u>
Depreciation charge for the year:		
Motor vehicles	<u>-</u>	<u>2,580</u>

The directors have valued the company's interest in the freehold of Selhurst Park Stadium at £6,000,000. The balance of the freehold property is shown at cost.

**ALTONWOOD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 1997**

**11. INVESTMENT PROPERTIES**

	Freehold and long leasehold property £	Short leasehold property £	Total £
<b>Cost or valuation:</b>			
At 1 July 1996	591,481	-	591,481
Additions	388,238	83,663	471,901
Revaluations	58,893	31,256	90,149
Disposals	(236,998)	-	(236,998)
At 30 June 1997	801,614	114,919	916,533
<b>Depreciation:</b>			
Charge for year	-	4,919	4,919
At 30 June 1997	-	(4,919)	(4,919)
<b>Net book value:</b>			
At 30 June 1997	801,614	110,000	911,614
At 30 June 1996	591,481	-	591,481
		<b>1997</b>	<b>1996</b>
		£	£
<b>Analysis of net book value of land and buildings:</b>			
Freehold		598,467	532,354
Long leasehold		203,147	59,127
		801,614	591,481

The properties were revalued at 30 June 1997 by the directors on the basis of an open market valuation for existing use.

# ALTONWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

### 12. INVESTMENTS

	Beginning of year £	Additions £	Revaluation £	Disposals £	End of year £
<b>Cost or valuation:</b>					
Group undertakings	2,466,702	1,000	17,645,509	(240)	20,112,971

#### Financial information summary:

The aggregate amount of capital and reserves and the results of these undertakings for the last financial year were as follows:-

	%age held	Cost or directors valuation* £	Capital and reserves £	Results £
Crystal Palace F.C. (1986) Limited*	85.42	20,000,000	2,555,080	(486,073)
Mardonmain Holdings Limited*	91.58	1	24,680	(873)
Country & Metropolitan Investments Limited	100.00	110,110	122,314	32,088
Zinckirk Properties Limited	100.00	100	48,471	10,191
Westerham Golf Club Limited	100.00	1,000	(594,379)	(291,625)
Mitcham Leisure Limited	100.00	1,000	(2,437)	4,639
Happy Valley Golf Club Limited	76.00	760	(47,480)	(48,480)
		20,112,971	2,106,249	(780,133)

### 13. STOCKS

	1997 £	1996 £
Vouchers	23,666	26,309
Goods for resale	192,072	132,329
	215,738	158,638

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

<b>14. DEBTORS</b>			
<b>The Group</b>	<b>1997</b>	<b>1996</b>	
	<b>£</b>	<b>£</b>	
Trade debtors	1,464,639	2,120,580	
Other debtors	725,163	108,843	
Prepayments and accrued income	235,654	272,668	
	<u>2,425,456</u>	<u>2,502,091</u>	
<b>The Company</b>	<b>1997</b>	<b>1996</b>	
	<b>£</b>	<b>£</b>	
Amounts owed by other group undertakings	2,407,238	1,659,952	
Other debtors	55,410	49,512	
Prepayments and accrued income	-	79,208	
	<u>2,462,648</u>	<u>1,788,672</u>	
<b>15. CURRENT ASSETS INVESTMENTS</b>			
	<b>1997</b>	<b>1996</b>	
	<b>£</b>	<b>£</b>	
UK listed investments	3,339	-	
	<u>3,339</u>	<u>-</u>	

The current market value of the listed investments are £3,484.

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**16. CREDITORS: amounts falling due within one year**

<b>The Group</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Debenture loans	636,611	636,611
Bank loans and overdrafts	5,219,252	4,357,086
Net obligations under finance leases and hire purchase contracts	185,599	64,985
Payments received on account	6,227	3,403
Trade creditors	1,353,682	1,149,732
Corporation tax	17,038	21,174
Other taxes and social security costs	521,364	356,588
Directors' current accounts	233,876	250,290
Other creditors	905,340	213,985
Accruals and deferred income	3,674,221	2,519,914
	<u>12,753,210</u>	<u>9,573,768</u>
Secured creditors	<u>5,054,272</u>	<u>4,937,342</u>
<b>The Company</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Debenture loans	636,611	636,611
Bank loans and overdrafts	340,680	94,867
Net obligations under finance leases and hire purchase contracts	-	3,843
Trade creditors	499	11,978
Amounts owed to other group undertakings	649,691	590,803
Corporation tax	3,337	11,367
Other taxes and social security costs	39,128	61,181
Directors' current accounts	28,133	9,417
Other creditors	268,754	17,194
Accruals and deferred income	90,138	85,426
	<u>2,056,971</u>	<u>1,522,687</u>
Secured creditors	<u>359,434</u>	<u>115,904</u>

ALTONWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997

17. **CREDITORS:** amounts falling due after more than one year

<b>The Group</b>	<b>1997 £</b>	<b>1996 £</b>
Loans	4,653,473	3,363,464
Net obligations under finance leases and hire purchase contracts	<u>216,953</u>	<u>274,927</u>
	<u>4,870,426</u>	<u>3,638,391</u>
Amounts due within five years Repayable by instalments	<u>2,968,631</u>	<u>2,286,484</u>
Instalments not due within five years	<u>1,901,795</u>	<u>1,351,907</u>
Secured creditors	<u>3,563,928</u>	<u>3,221,310</u>
<b>The Company</b>	<b>1997 £</b>	<b>1996 £</b>
Loans	316,185	660,485
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>20,172</u>
	<u>316,185</u>	<u>680,657</u>
Amounts due within five years Repayable by instalments	<u>249,509</u>	<u>550,445</u>
Instalments not due within five years	66,676	110,040
Secured creditors	<u>316,185</u>	<u>680,657</u>



**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**18. BORROWINGS**

**The Group**

	1997 £	1996 £
<b>The group's borrowings are repayable as follows</b>		
Up to one year and on demand	6,534,617	5,120,891
Between one and two years	481,235	364,501
Between two and five years	1,828,894	1,311,854
After five years	1,901,795	1,351,907
	<u>10,746,541</u>	<u>8,149,153</u>
 <b>Borrowings: amounts due after 5 years</b>		
Repayable by instalments		
Bank Loan wholly repayable by instalments	1,843,469	1,266,916
Building society mortgage wholly repayable by instalments	58,326	84,991
	<u>1,901,795</u>	<u>1,351,907</u>
 Wholly repayable within five years	<u>8,844,746</u>	<u>6,797,246</u>
 Included in current liabilities	<u>6,534,617</u>	<u>5,120,891</u>
 Instalments not due within five years	<u>1,901,795</u>	<u>1,351,907</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**18. BORROWINGS - (continued)**

**The Company**

	1997	1996
	£	£
<b>The company's borrowings are repayable as follows</b>		
Up to one year and on demand	1,246,045	748,672
Between one and two years	161,219	99,496
Between two and five years	128,238	450,949
After five years	66,676	110,040
	<u>1,602,178</u>	<u>1,409,157</u>

**Borrowings: amounts due after 5 years**

Repayable by instalments		
Loan instalments payable after 5 years	8,350	25,049
Building society mortgage wholly repayable by instalments	58,326	84,991
	<u>66,676</u>	<u>110,040</u>
Wholly repayable within five years	<u>1,535,502</u>	<u>1,299,117</u>
Included in current liabilities	<u>1,246,045</u>	<u>748,672</u>
Instalments not due within five years	<u>66,676</u>	<u>110,040</u>

**19. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

**The Group**

	1997	1996
	£	£
<b>The group's net obligations under finance leases and hire purchase contracts are repayable as follows:</b>		
Within one year or on demand	187,121	106,238
Between one and two years	277,067	279,131
	464,188	385,369
Finance charges and interest allocated to future accounting periods	(61,636)	(45,457)
	402,552	339,912
Included in current liabilities	(185,599)	(64,985)
	<u>216,953</u>	<u>274,927</u>

**ALTONWOOD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 1997**

**19. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS - (continued)**

**The Company**

	1997 £	1996 £
<b>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:</b>		
Within one year or on demand	-	5,736
Between one and two years	-	21,249
	-	26,985
Finance charges and interest allocated to future accounting periods	-	(2,970)
	-	24,015
Included in current liabilities	-	(3,843)
	-	20,172

**20. PROVISIONS FOR LIABILITIES AND CHARGES**

	1997 £	Fully provided 1996 £
<b>The Group</b>		
Deferred tax is calculated at 31% (1996 - 25%) analysed over the following timing differences:		
On other timing differences	5,128,615	3,750
		1997 £
The movements in deferred taxation are as follows:		
At 1 July 1996		3,750
Transferred from revaluation reserve		5,124,865
At 30 June 1997		5,128,615
<b>The Company</b>	1997 £	1996 £
On other timing differences	7,435,050	553,280
		1997 £
Movements on the provision for deferred taxation are:		
At 1 July 96		553,280
Transferred to revaluation reserve		6,881,770
At 30 June 1997		7,435,050

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**21. SHARE CAPITAL**

	1997 £	1996 £
<b>Authorised:</b>		
<b>Equity interests:</b>		
80,000 Ordinary shares of £1 each	<u>80,000</u>	<u>80,000</u>
<b>Allotted, called up and fully paid:</b>		
<b>Equity interests:</b>		
54,300 Ordinary shares of £1 each	<u>54,300</u>	<u>54,300</u>

**22. SHARE PREMIUM ACCOUNT**

	1997 £	1996 £
<b>Equity interests:</b>		
Balance at beginning of year	6,750	6,750
Movements during the year	<u>-</u>	<u>-</u>
Balance at year end	<u>6,750</u>	<u>6,750</u>

**23. REVALUATION RESERVE**

<b>The Group</b>	1997 £	1996 £
Balance at beginning of year	11,250	11,250
Revaluation during the year	<u>11,497,095</u>	<u>-</u>
Balance at year end	<u>11,508,345</u>	<u>11,250</u>
<b>The Company</b>	1997 £	1996 £
Balance at beginning of year	1,089,387	1,089,387
Revaluation during the year	<u>15,459,589</u>	<u>-</u>
Balance at year end	<u>16,548,976</u>	<u>1,089,387</u>

**24. CAPITAL REDEMPTION RESERVE**

	1997 £	1996 £
Balance at beginning and end of year	<u>4,900</u>	<u>4,900</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**25. CONSOLIDATION RESERVE**

	1997 £	1996 £
Balance at beginning of year	371,493	224,744
Movements during the year	(3,331)	146,749
Balance at year end	<u>368,162</u>	<u>371,493</u>

**26. PROFIT AND LOSS ACCOUNT**

<b>The Group</b>	1997 £	1996 £
Retained profit at 1 July 1996	3,242,754	(418,166)
Loss for the year	(138,560)	3,660,920
Retained profit at 30 June 1997	<u>3,104,194</u>	<u>3,242,754</u>
 <b>The Company</b>	 1997 £	 1996 £
Retained profit at 1 July 1996	1,976,381	1,633,635
Profit for the year	674,440	342,746
Retained profit at 30 June 1997	<u>2,650,821</u>	<u>1,976,381</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

<b>The Group</b>	<b>1997 £</b>	<b>1996 £</b>
<b>Loss for the financial year</b>	(110,520)	3,660,920
<b>Dividends</b>	(28,040)	-
<b>Other recognised gains and losses relating to the year</b>	<u>11,493,764</u>	<u>146,749</u>
<b>Net addition to shareholders' funds</b>	11,355,204	3,807,669
<b>Opening shareholders' funds</b>	<u>3,686,547</u>	<u>(121,122)</u>
<b>Closing shareholders' funds</b>	<u><u>15,041,751</u></u>	<u><u>3,686,547</u></u>
<b>Represented by:-</b>		
Equity interests	<u><u>15,041,751</u></u>	<u><u>3,686,547</u></u>
<b>The Company</b>	<b>1997 £</b>	<b>1996 £</b>
<b>Profit for the financial year</b>	674,440	342,746
<b>Other recognised gains and losses relating to the year</b>	<u>15,459,589</u>	<u>-</u>
<b>Net addition to shareholders' funds</b>	16,134,029	342,746
<b>Opening shareholders' funds</b>	<u>3,131,718</u>	<u>2,788,972</u>
<b>Closing shareholders' funds</b>	<u><u>19,265,747</u></u>	<u><u>3,131,718</u></u>
<b>Represented by:-</b>		
Equity interests	<u><u>19,265,747</u></u>	<u><u>3,131,718</u></u>

**28. MINORITY INTEREST**

	<b>1997 £</b>	<b>1996 £</b>
<b>Balance at beginning of year</b>	470,500	6,413
<b>Transfer (to)/from profit and loss account</b>	(98,983)	610,836
<b>Transfer (to)/from consolidation reserve</b>	<u>3,331</u>	<u>(146,749)</u>
<b>Balance at year end</b>	<u><u>374,848</u></u>	<u><u>470,500</u></u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**29. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	1997 £	1996 £
<b>Returns on investments and servicing of finance</b>		
Interest received	5,950	15,685
Interest paid	(542,961)	(698,991)
Interest element of hire purchase contracts	(48,487)	(24,986)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(585,498)</u>	<u>(708,292)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(11,146)</u>	<u>-</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(4,342,439)	(3,998,386)
Purchase of other investments	(471,901)	(69,287)
Receipts from sale of tangible fixed assets	338,687	426,384
<b>Net cash outflow from capital expenditure</b>	<u>(4,475,653)</u>	<u>(3,641,289)</u>
<b>Acquisitions and disposals</b>		
Receipts from sale of subsidiary undertakings	240	-
<b>Net cash inflow from acquisitions and disposals</b>	<u>240</u>	<u>-</u>
<b>Management of liquid resources</b>		
Short-term cash and bank deposits	-	379,538
Purchase of current asset investments	(3,339)	-
<b>Net cash outflow from management of liquid resources</b>	<u>(3,339)</u>	<u>379,538</u>
<b>Financing</b>		
New long-term loans	2,845,760	1,080,931
New short-term loans	910,000	1,496,503
Repayments of long-term loans	(811,061)	(320,672)
Repayments of capital element of hire purchase contracts	(202,964)	(192,084)
Repayment of short-term loans	(49,146)	(272,721)
<b>Net cash inflow from financing</b>	<u>2,692,589</u>	<u>1,791,957</u>

**ALTONWOOD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1997**

**30. ANALYSIS OF NET DEBT**

	1996 £	Cash flow £	Other movements £	1997 £
Cash at bank and in hand	582,555	(90,604)	-	491,951
Bank overdraft	(960,755)	191,817	-	(768,938)
Debt due within one year	(4,160,136)	(1,605,543)	-	(5,765,679)
Debt due after one year	(3,363,463)	(1,290,010)	-	(4,653,473)
Finance leases	(339,912)	202,964	(265,604)	(402,552)
Current asset investments	-	3,339	-	3,339
	<u>(8,241,711)</u>	<u>(2,588,037)</u>	<u>(265,604)</u>	<u>(11,095,352)</u>

**31. CAPITAL COMMITMENTS**

	1997 £	1996 £
Details of capital commitments at the accounting date are as follows:		
Contracted but not provided for in the financial statements	50,000	433,142
	<u>50,000</u>	<u>433,142</u>

**32. CONTRACTUAL COMMITMENTS**

Commitments to players under contract at the Balance Sheet date, which have not been provided for in the financial statements, amounted to £678,525 (1996 - £999,935) of which £317,996 (1996 - £517,333) is payable after more than one year. Further amounts are due under those contracts if certain conditions are fulfilled. It is not yet possible to quantify the cost of those commitments.

**33. TRANSFER FEES**

As stated in note 1 to the financial statements, 'Statement of accounting policies', no value is attributed in the group's Balance Sheet to the squad of players. The approximate cost of transfer fees paid for the current professional playing staff is £15,312,500. The directors consider the current value of the registrations of players under contract to be in excess of this figure.



## ALTONWOOD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

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#### 33. RELATED PARTY DISCLOSURES

During the year Crystal Palace F.C. (1986) Limited received £464,973 (1996 - £401,222) from ground sharing arrangements, including rent and service charges. Of this amount the company received £233,890 (1996 - £177,680) which together with its the rent due from Crystal Palace F.C. (1986) Limited amounted to £499,002 (1996 - £443,603).

The group have paid £35,275 (1996 - £ 28919) for financial and consultancy services to the chartered accountancy practice of Mr D W Waddington, a director of the company.

Crystal Palace F.C. (1986) Limited has the following agreements:

a consultancy agreement with Mr C L Noades, brother of Mr R G Noades. The company paid £20,000 (1996 - £Nil) for this consultancy.

an agreement with Mr & Mrs Davison (trading as Davison Builders) for building work on a commercial basis at one of the company's freehold properties. Mrs Davison is Mr R G Noades' sister. The building work totalled £321,080 (1996 - £79,952).

All of the above transactions were carried out on an arm's length basis.

#### 34. POST BALANCE SHEET EVENTS

Since the Balance Sheet date Crystal Palace F.C. (1986) Limited has acquired new players at a cost of £12,665,000. Other players have been transferred for net proceeds of £5,107,566.

# ALTONWOOD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

### 35. CHANGE OF ACCOUNTING POLICY

	1996	1996	1996
	Restated £	As reported £	Change £
<b>Profit and loss account (see page 6)</b>			
Cost of sales	6,068,149	6,081,077	12,928
Administrative expenses	1,686,311	1,679,931	(6,380)
Operating profit	4,983,474	4,976,926	6,548
Profit for the financial year	3,660,920	3,654,372	6,548
<b>Balance sheet (see page 8)</b>			
Investments	591,481	562,403	29,078
<b>Operating profit (see note 3)</b>			
Depreciation of fixed assets	226,542	238,270	11,728
Amortisation	161,609	162,809	1,200
<b>Investments (see note 11)</b>			
Net book value at 30 June 1996	591,481	562,403	29,078
<b>Accumulated profits (see note 26)</b>			
At 30 June 1995	(418,166)	(440,696)	22,530
Year to 30 June 1996	3,660,920	3,654,372	6,548

**ALTONWOOD LIMITED**

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 1997**

	<b>1997</b>		<b>1996</b>	
	£	£	£	£
Rent receivable		647,267		583,678
Other income		86,673		80,090
		<u>733,940</u>		<u>663,768</u>
<b>ADMINISTRATIVE EXPENSES</b>		<u>(108,797)</u>		<u>(167,800)</u>
<b>OPERATING PROFIT</b>		625,143		495,968
<b>OTHER INCOME AND EXPENSES</b>				
Income from investments:				
Dividends receivable		151,869		-
Interest receivable:				
Bank deposit interest		1		892
Interest payable:				
Bank interest	64,670		33,063	
Loan interest	-		15,746	
Hire purchase interest	1,451		3,938	
Interest on overdue tax	62		-	
		<u>(66,183)</u>		<u>(52,747)</u>
<b>NET PROFIT FOR THE YEAR</b>		<u><u>710,830</u></u>		<u><u>444,113</u></u>

**ALTONWOOD LIMITED**  
**ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED 30 JUNE 1997**

	1997	1996
	£	£
<b>ADMINISTRATIVE EXPENSES</b>		
Directors' remuneration	73,905	72,000
Employer's N.I. contributions	6,008	6,654
Motor running expenses	419	5,783
Legal and prof fees - allowable	3,924	25,778
Accountancy	4,025	6,500
Audit fees	2,000	2,000
Bank charges	1,380	2,462
Bad and doubtful debts	-	16,906
Sundry expenses - allowable	4,637	927
Depreciation on fixed assets	6,694	28,790
Profit/loss on sale of tangible assets	5,805	-
	<u>108,797</u>	<u>167,800</u>