

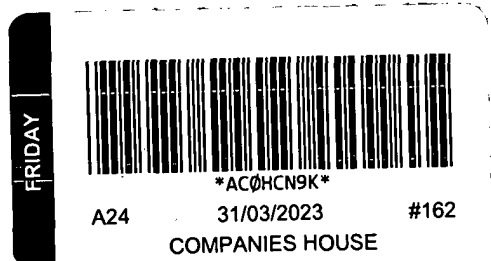
---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

CLUB INFORMATION

---

Directors	L Rifkind T Sandgaard
Registered number	01788466
Registered office	The Valley Floyd Road London SE7 8BL
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 45 Gresham Street London EC2V 7BG

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

CONTENTS

---

	Page
Strategic Report	1 - 4
Directors' Report	5 - 6
Directors' Responsibilities Statement	7
Independent Auditor's Report	8 - 11
Statement of Comprehensive Income	12
Statement of Financial Position	13 - 14
Statement of Changes in Equity	15
Statement of Cash Flows	16 - 17
Analysis of Net Debt	18
Notes to the Financial Statements	19 - 36

---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

---

#### Introduction

The directors present their Strategic Report for the year ended 30 June 2022.

#### Principal activity

The principal activity of the Company continues to be the operation of a professional football club, together with related commercial activities.

#### Football review

##### First team

The men's first team competed in Sky Bet League One and began the season with Nigel Adkins as Manager.

After missing out on the play-offs on goal difference the previous season, Charlton started the season slowly and Adkins departed as Manager in October with Charlton in the relegation zone.

Johnnie Jackson replaced Adkins as Caretaker Manager and was appointed as the club's permanent manager in December after presiding over seven wins in his opening 10 league games.

With Charlton threatened by relegation, the club spent transfer fees in January 2022 on Scott Fraser and Chuks Aneke. Charlton finished the 21/22 season in 13th place in League One.

In the first season with supporters back in stadiums, following the Covid-19 pandemic, the club sold 9,891 season tickets with an average home league attendance of 15,592, up from 11,827 the previous season when the club was in League One with supporters allowed to attend.

Johnnie Jackson departed as Manager at the end of the season and was replaced by Ben Garner. Garner left as Manager in December 2022 and was replaced by Dean Holden later that month. Holden secured important wins to move Charlton away from any danger of relegation and has since signed a three-year contract with the club.

---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

---

#### Youth Academy

Academy performance for 2021/22 continued to deliver and further consolidate the beliefs and values in the Academy Performance Plan. The Academy continues to produce home grown players for our First Team and remains an integral part of the football business model.

There were 7 Academy debutants in the First Team over the 2021/22 season including Richard Chin, Euan Williams, Tyreece Campbell, Daniel Kanu, Deji Elerewe, Nazrin Bakrin and Mason Burstow.

By the end of the 2021/22 season, the Academy had reached it's target of 12.5% of League minutes from Academy players. The aim is for an 8% growth in this target each season for the next 5 years. Reaching this seasonal target will result in the Club benefitting from lower cost in recruiting senior players as well as the achievement of high eventual player sales from Academy graduates and their progression into first team football at Charlton.

The EPPP Player Productivity figures produced by the Premier League look ever more impressive for the Academy. Based on data up until the end of the 2020/21 season, Charlton are ranked 1st out of 72 EFL Clubs over 9 of the last 12 seasons and 3rd over the most recent 3 seasons. We are also ranked consistently in the top 10 of all 92 PL and EFL Clubs.

Furthermore, a Swiss based company funded by FIFA released data from 2020/21 measuring clubs in Europe that produced the most Premier League level players. Charlton was ranked 19th alongside Barcelona with 6 players playing at Premier League level in that season. There are only 6 other clubs in the top 20 from outside the Premier League. Four of these clubs are based in Europe, with two other English clubs; Sheffield United and West Bromwich Albion. Charlton Athletic are the only League One club in the list.

The Annual Academy budget stayed consistent with previous seasons. All Heads of Department (Coaching, Recruitment, Sports Science/Medical, Education) are tasked with setting realistic and achievable targets for the season and over 75% of Academy Department KPI's were achieved. Those that were not will be considered for inclusion in the 2022/23 action plan.

The future continues to look very positive for the young players coming through the Academy programme at Charlton Athletic. With the depth of talent in mind and the consistency of high productivity, the Academy SMT, with the support of the ownership, applied for Category 1 Academy status in 2021/22. The Academy received a 4 day audit in March 2022. The Audit report, received in May 2022 detailed that the Academy would not be granted a Cat 1 license for 2022/23. A full report is available from the Academy Director.

#### Ownership

The Club is owed by Clear Ocean Capital Ltd, a company registered in the UK, which is wholly owned by Thomas Sandgaard, an American based businessman, originally from Denmark.

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022

---

Financial review

Capital Investment

During the 21/22 season, the Club invested in the infrastructure of the Training ground and Stadium, with just over £1m capital investment. This was mainly invested in the development of the Training ground site with a complete renovation of the existing complex. This included a completely new first team building and gym, a new two storey canteen and education centre.

	2022	2021	Variance	Variance
	£000	£000	£000	%
Central income	2,039	4,731	(2,692)	(57)
Match-day	4,918	233	4,685	2,011
Commercial	1,777	1,602	175	11
Other	1,065	390	675	173
<b>Total</b>	<b>9,799</b>	<b>6,956</b>	<b>2,843</b>	<b>41</b>

Central income consists of English Football League (EFL) and Premier League (PL) central distributions. Central income during the 21/22 season decreased on 20/21 due to the league's covid support (2021 - £1.2m) coming to an end. EFL distributions were £0.8m (2021 - £0.8m) and PL solidarity £1.2m (2021 - £0.7m).

Match-day income consists primarily of ticket income, match-day hospitality, advertising and programmes. The movement from 21/22 was due to the entire 20/21 season being played behind closed doors.

Commercial income comprises primarily sponsorship, non-matchday events, streaming and retail. With the 21/22 season being played in front of fans again, there was a significant decrease in streaming due to the reduction in the number of games being available to watch on Charlton TV and fans being allowed back in the stadium. This was offset by an increase in sponsorship and non-matchday events post Covid-19.

Other income principally comprises youth academy grant income arising from the Elite Player Performance Plan. Other income also includes contributions from Valley Gold, the lottery organisation directly linked to the Club, which further supports the development of players in our successful Youth Academy.

---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

---

#### Operating expenses

Operating expenses, excluding depreciation and player amortisation, were £17.8m (2021 - £14.9m), a £3m increase on the prior year, primarily reflecting the return of fans to the stadium. Furthermore, there was an increase in footballing overheads, with an increase in matchday operational costs of £1.4m and football overheads of £2m. Staff costs, including players, were £10.6m (2021 - £9.3m).

#### Profit on disposal of players' registrations

Profit on disposal of players' registrations amounted to £3.3m (2021 - £5.6m). A few previous player contingent clauses triggered during this financial year from historical player sales, including Ademola Lookman, Anfernee Dijksteel and Nick Pope, as well as player sales of Mason Burstow and James Beadle.

#### Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Company's long term performance. These risks and uncertainties are monitored by the Board on a regular basis.

#### Income

The club derives a significant amount of revenue from ticket sales. Gate receipts are dependent on matchday attendance; the Covid-19 pandemic has exposed how highly clubs are dependent on such income. Gate receipts are dependent on the team's performance on the pitch, and in turn the team's performance is related to quality of coaching and the ability to attract the players to compete competitively.

#### Expenditure

Expenditure within the playing squad and staffing, as well as non-squad expenses are continually monitored and reviewed with a view to restrict unnecessary expenses and maximise efficiencies.


#### Profit/(Loss) before taxation

Once interest, depreciation and amortisation are taken into account, the loss before taxation for the year was £6.3m (2021 - £4.3m profit).

#### Key Performance Indicators

The key performance indicators discussed above are further detailed in Notes 4 and 8 to the financial statements. These revenue and cost centres are monitored regularly by the board against detailed budgets.

This report was approved by the board and signed on its behalf.

  
Thomas Sandgaard (Mar 30, 2023 08:27 MDT)

**T Sandgaard**  
Director

Date: 30/03/2023

---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

---

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

#### Results and dividends

The total comprehensive loss for the year, after taxation, amounted to £6,321k (*2021 - profit of £8,114k*).

No dividends were paid or proposed during the year (*2021 - £Nil*).

#### Directors

The directors who served during the year were:

L Rifkind  
T Sandgaard

#### Future developments

The short term objective is to be competitive in League One and target play off places to regain Championship status as soon as possible. The Company will continue to monitor and control operating costs and maximise revenue opportunities to further invest into the First Team squad and further develop the Youth Academy.

#### Charitable contributions

The club provides match tickets, hospitality and signed memorabilia for numerous charitable organisations, local schools and youth teams. The club 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 club also facilitated fundraising for a variety of charitable organisations on match days at the Valley. There were no political donations.

#### Club's policy for payment of creditors

The Company 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 order will be paid in accordance with the terms agreed. Trade creditors represented 49 days (*2021 - 55 days*) of annual purchases, when the effect of major capital works and player purchases are excluded.

#### Engagement with employees

The club 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 club. This is achieved through formal and informal meetings. The club operates an equal opportunity policy for recruitment and training development which gives equal opportunities to all employees regardless of age, gender, sexual orientation, marital status, nationality, pregnancy, race, religion or ethnic origin. The club 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 club'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.



---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

---

#### Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the club's auditor is unaware, and
- the 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 club's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### Post statement of financial position events

Since the year end the disposal of players' registrations has generated income of £400k (2021 - £2,000k).


In addition, transfer costs, termination payments and agency fees totalling £95k (2021 - £1,848k) were paid.

On 26th July 2022, 20th September 2022, 30th September 2022, 25th October 2022, 15th November 2022, 25th November 2022, 2nd December 2022, 20th December 2022, 28th December 2022, 21st February 2023 and the 3rd March 2023 the club obtained additional loans from Clear Ocean Capital Limited for £500k, £800k, £700k £500k, £500k, £500k, £300k, £500k, £700k, £850k and £200k respectively. The additional loans of £6,050k are in accordance with the amended terms relating to the £10,500k loan obtained from Clear Ocean Capital Limited on 23 March 2022; interest free, repayable on demand at any time by the Lender.

#### Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
Thomas Sandgaard (Mar 30, 2023 08:27 AOT)

**T Sandgaard**  
Director

Date: 30/03/2023

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022

---

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 club and of the profit or loss of the club for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the club's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the club will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the club's transactions and disclose with reasonable accuracy at any time the financial position of the club and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the club and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the club's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

---

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

**Opinion**

We have audited the financial statements of Charlton Athletic Football Company Limited (the 'club') for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, the Analysis of Net Debt and the 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 FRS 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 club's affairs as at 30 June 2022 and of its 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the club 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 club'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.

---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED (CONTINUED)

---

#### Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Directors' Responsibilities Statement set out on page 7, 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 is 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 club'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 club or to cease operations, or have no realistic alternative but to do so.

---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED (CONTINUED)

---

#### **Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the club's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations and of the club's policies and procedures regarding compliance. We also drew on our existing understanding of the club's industry and regulation. We understand that the club comply with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- The engagement of external experts to ensure ongoing tax compliance.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements and which are central to the club's ability to conduct its business and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the club:

Have a direct effect on the determination of material amounts and disclosures in the financial statements. These include:

- Health and safety regulations, including building and fire safety;
- The UK Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements; and
- Tax legislation.

Do not have a direct effect on the financial statements but compliance with which may be fundamental to the club's ability to operate or to avoid a material penalty. These include:

- The Football Association (FA), English Football League (EFL) and FIFA regulations.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Discussion with senior management including consideration of known or suspected non-compliance with the above regulations;
- We communicated with the club's management regarding existing litigation;
- We have reviewed legal correspondence throughout the year; and
- We obtained written management representations about any potential or ongoing legal disputes.

The senior statutory auditor led a discussion with members of the engagement team regarding the susceptibility of the club's and financial statements to material misstatement, including how fraud might occur.

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLTON ATHLETIC FOOTBALL COMPANY  
LIMITED (CONTINUED)

---

The areas identified in this discussion were:

- Revenue recognition;
- Journal entries; and
- Going concern.

The procedures that we carried out in order to gain evidence in the above area included:

- Testing of revenue transactions to underlying documentation; and
- Testing journal entries, selected based on specific risk assessments applied based on the club's processes and controls surrounding manual journals.
- Review of Management Forecasts for the period of 12 months from signing, including cash flow forecasts.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available 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 auditor's report.

**Use of our report**

This report is made solely to the club'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 club's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the club and the club's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Andrew Bond*

Andrew Bond (Mar 30, 2023 16:44 GMT+1)

Andrew Bond (Senior Statutory Auditor)

for and on behalf of

**CLA Evelyn Partners Limited**

Chartered Accountants

Statutory Auditor

45 Gresham Street

London

EC2V 7BG

Date: 30/03/2023

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £000	2021 £000
Turnover	4	9,799	6,956
<b>Gross profit</b>		<b>9,799</b>	<b>6,956</b>
Administrative expenses		(19,826)	(16,185)
Exceptional items		(565)	(205)
Other operating income	6	469	509
Profit on disposal of leasehold assets		-	8,093
<b>Operating loss</b>	8	<b>(10,123)</b>	<b>(832)</b>
Profit on disposal of players		3,306	5,595
Interest payable and similar expenses	11	(600)	(535)
<b>(Loss)/profit before tax</b>		<b>(7,417)</b>	<b>4,228</b>
Tax on (loss)/profit	12	1,096	(1,096)
<b>(Loss)/profit for the financial year</b>		<b>(6,321)</b>	<b>3,132</b>
<b>Other comprehensive income for the year</b>			
Realised deferred tax relating to disposal of leasehold assets previously taken to equity		-	4,982
<b>Total comprehensive (loss)/income for the year</b>		<b>(6,321)</b>	<b>8,114</b>

The notes on pages 19 to 36 form part of these financial statements.

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED  
REGISTERED NUMBER:01788466

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	13	1,847	1,347
Tangible assets	14	1,430	393
		<u>3,277</u>	<u>1,740</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	2,264	2,050
Debtors: amounts falling due within one year	15	2,214	3,820
Cash at bank and in hand	16	1,286	3,461
		<u>5,764</u>	<u>9,331</u>
Creditors: amounts falling due within one year	17	(20,469)	(6,283)
<b>Net current (liabilities)/assets</b>		<u>(14,705)</u>	<u>3,048</u>
<b>Total assets less current liabilities</b>		<u>(11,428)</u>	<u>4,788</u>
Creditors: amounts falling due after more than one year	18	(8,941)	(15,682)
<b>Provisions for liabilities</b>			
Other provisions	20	(130)	(130)
<b>Net liabilities</b>		<u>(20,499)</u>	<u>(11,024)</u>
<b>Capital and reserves</b>			
Called up share capital	21	26,477	26,477
Capital contribution	22	1,038	4,192
Profit and loss account	22	(48,014)	(41,693)
<b>Shareholders' deficit</b>		<u>(20,499)</u>	<u>(11,024)</u>



---


CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED  
REGISTERED NUMBER:01788466

---

STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 30 JUNE 2022

---

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

  
Thomas Sandgaard (Mar 30, 2023 08:27 MDT)

**T Sandgaard**  
Director

Date: 30/03/2023

The notes on pages 19 to 36 form part of these financial statements.

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £000	Revaluation reserve £000	Capital contribution £000	Profit and loss account £000	Total equity £000
At 1 July 2020	26,477	21,241	-	(71,048)	(23,330)
Comprehensive income for the year					
Profit for the year	-	-	-	3,132	3,132
Realised deferred tax relating to disposal of leasehold assets	-	4,982	-	-	4,982
Total comprehensive income for the year	-	4,982	-	3,132	8,114
Capital contribution	-	-	4,192	-	4,192
Transfer of revaluation reserve	-	(26,223)	-	26,223	-
At 1 July 2021	26,477	-	4,192	(41,693)	(11,024)
Comprehensive income for the year					
Loss for the year	-	-	-	(6,321)	(6,321)
Capital contribution reversed	-	-	(3,154)	-	(3,154)
At 30 June 2022	26,477	-	1,038	(48,014)	(20,499)

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

---

	2022 £000	2021 £000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(6,321)	3,132
<b>Adjustments for:</b>		
Amortisation of intangible assets	786	483
Depreciation of tangible assets	267	849
Interest payable and similar expenses	600	535
Taxation charge	(1,096)	1,096
Decrease/(increase) in debtors	1,393	(1,948)
Increase/(decrease) in creditors	1,296	(1,484)
Corporation tax received	-	8
Profit on disposal of leasehold assets	-	(8,093)
<b>Net cash used in operating activities</b>	<b>(3,075)</b>	<b>(5,422)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,748)	(1,653)
Sale of intangible assets	462	133
Purchase of tangible fixed assets	(1,304)	(104)
Sale of tangible fixed assets	-	449
<b>Net cash used in investing activities</b>	<b>(2,590)</b>	<b>(1,175)</b>

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022

---

	2022 £000	2021 £000
<b>Cash flows from financing activities</b>		
Loan advanced	3,490	10,500
Repayment of finance leases	-	(555)
Interest paid	-	(25)
<b>Net cash generated from financing activities</b>	<b>3,490</b>	<b>9,920</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,175)</b>	<b>3,323</b>
Cash and cash equivalents at beginning of year	3,461	138
<b>Cash and cash equivalents at the end of year</b>	<b>1,286</b>	<b>3,461</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,286	3,461

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 30 JUNE 2022

---

	At 1 July 2021 £000	Cash flows £000	Loans advanced £000	Other non- cash changes £000	At 30 June 2022 £000
Cash at bank and in hand	3,461	(2,175)	-	-	1,286
Debt due after 1 year	(12,862)	-	(3,490)	9,958	(6,394)
Debt due within 1 year	-	-	-	(13,640)	(13,640)
<b>Total</b>	<b>(9,401)</b>	<b>(2,175)</b>	<b>(3,490)</b>	<b>(3,682)</b>	<b>(18,748)</b>

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

**1. General information**

Charlton Athletic Football Company Limited (the 'club') is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 01788466). The registered office address is The Valley, Floyd Road, London, SE7 8BL.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the club's accounting policies (see note 3).

The following principal accounting policies have been applied:

---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

---

## 2. Accounting policies (continued)

### 2.2 Going concern

As at 30 June 2022, the club had net liabilities of £20,499k (2021 - £11,024k) and a total comprehensive loss for the financial year of £6,321k (2021 - income £8,114k).

The following events relevant to the solvency of the club occurred:

- Clear Ocean Capital Limited, a company controlled by T Sandgaard, provided the club with a loan for £4,180k during the year as detailed within note 19, the repayment terms of this loan are to be repayable on demand at any time by the lender as detailed within note 27.
- Since the year end Clear Ocean Capital Limited has provided the club with additional loans of £8,000k as detailed within note 27, with the repayment terms of these loans to be repayable on demand at any time by the lender.

The directors have prepared forecasts which estimate that the club has sufficient cash to continue as a going concern and pay its liabilities as they fall due for the foreseeable future, being a period of at least one year from the date of approval of the accounts. The forecasts include additional funding to be provided by T Sandgaard. Mr Sandgaard has also confirmed that, if necessary, he will provide additional funding above that envisaged in the base projections. T Sandgaard has provided the club with a letter of financial support for a period of not less than 12 months from the date of signing these financial statements.

It is possible that the Company will be sold by the current owner Mr Sandgaard in the foreseeable future. In those circumstances, it is expected that his support for the club would cease. However, for such a transaction to occur, the directors would expect evidence to be available to support the new owner's desire and ability to continue to provide with reasonable assurance necessary support required by the club to enable it to continue to fulfil its financial obligations for the foreseeable future. Similarly, EFL regulations contain conditions requiring that information relating to the source and sufficiency of funding is provided on a change of control.

On the basis of the events and possibilities described above and the ongoing support from the controlling party T Sandgaard, the directors believe that, whilst there is no absolute assurance, there is reasonable assurance that the club will be able to meet its liabilities as they fall due for the foreseeable future being a period of not less than one year from the approval of these financial statements. Accordingly, it is appropriate to prepare the accounts on a going concern basis and the accounts do not include any adjustments that would be required if the club was unable to continue as a going concern.

### 2.3 Turnover

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

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

2. Accounting policies (continued)

2.4 Players' registrations

The cost of obtaining players' registrations with the FA 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 occurrence 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. Players are derecognised as intangible assets when they are sold, or if their contracts run out. Any profit or loss on disposal is recognised through profit or loss.

2.5 Foreign currency translation

**Functional and presentation currency**

The club's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.



---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

---

## 2. Accounting policies (continued)

### 2.6 Pensions

#### Defined contribution pension plan

The club operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the club pays fixed contributions into a separate entity. Once the contributions have been paid the club has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the club in independently administered funds.

#### Defined benefit scheme

The club is a member of the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a multi-employer defined benefit pension scheme, where it is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Therefore, as required by FRS 102, the club accounts for the Scheme as if it were a defined contribution scheme. As a result, the amounts charged to Administrative expenses represent the contributions payable to the Scheme. Where material, contributions payable under an agreement with the Scheme to fund past deficits are recognised as a liability in the club's financial statements.

### 2.7 Operating leases: the club as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### 2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the club operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.12 Signing on fees and loyalty payments**

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

**2.13 Long-term season ticket schemes**

The net amount received by the club through long-term season ticket schemes is treated as deferred income within creditors and is released through profit or loss over the period in which the supporters utilise their season ticket.

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

2. Accounting policies (continued)

2.14 Barter transaction

Exchange of goods or services are recognised as revenue when goods are sold or services are exchanged for dissimilar goods or services in a transaction that has commercial substance.

Turnover is recognised at the fair value of the good or services received adjusted by the amount of any cash or cash equivalents transferred.

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the club but are presented separately due to their size or incidence.

2.16 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 25%
Fixtures and fittings	- 20 - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the club a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the club becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

2. Accounting policies (continued)

2.18 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the club becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the club will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the club's cash management.

Financial liabilities and equity instruments issued by the club are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the club after deducting all of its liabilities. Equity instruments issued by the club are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

---

## CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

---

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The judgements, estimates and assumptions are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the club are outlined below.

##### **Ex-director loans**

Under FRS 102, these loans have to be recognised at their present value which differs from the original transaction value. In calculating the present value, given the highly subjective nature of any assumption used, it is assumed that promotion to the Premier League is gained at the earliest possibility (i.e. 2 years from 30 June 2022). Should this not be achieved the present value of the loans will differ materially from the value currently presented.

##### **Clear Ocean Capital Limited loan**

On 28 September 2020, Clear Ocean Capital Limited provided the club with a £10,500k loan. The loan was initially interest free, unsecured and repayable on 28 September 2025 with the option for early repayments to be made by the club but not required. Under FRS 102, a connected party loan is required to be recognised at present value which differs from the original transaction value. On 26 March 2022, the repayment terms of the £10,500k loan between the club and Clear Ocean Capital Limited and the additional loans provided by Clear Ocean Capital Limited totalling £4,180k during the year were amended to be repayable on demand at any time by the Lender. The loan remains interest free and unsecured. Therefore the loans are disclosed as creditors due within one year (repayable on demand) and the capital contribution reserve has been reduced.

During the year, an amount of £960k was advanced to Charlton Athletic Women's Football Club Limited, a wholly owned subsidiary of Clear Ocean Capital Limited. Under the terms of the loan agreement, this amount was offset against the balance owed to Clear Ocean Capital Limited, resulting in a balance at 30 June 2022 of £13,640k.

##### **Operating leases**

On 25 September 2020 the lease agreements relating to the Valley Stadium and Training Ground were amended following Clear Ocean Capital Limited's acquisition of the club, including revised rents and lease terms of 15 years, respectively. The directors have assessed that these leases represent operating leases in accordance with FRS 102 Section 20.5.

##### **Depreciation of tangible fixed assets**

Tangible fixed assets are depreciated over their useful life taking into account residual value where appropriate. The actual useful lives of the assets and residual values may vary depending upon a number of factors, including technological innovation and maintenance programmes.

##### **Players' registrations**

The cost of obtaining players' registrations are amortised evenly over the period of the respective players' contracts. The market value of a player could differ significantly from its net book value in the financial statements.

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Television and broadcast	2,309	3,575
Ticket income and match day activities	5,174	261
Commercial	1,008	1,853
Other	1,308	1,267
	<u>9,799</u>	<u>6,956</u>

All revenue arose within the United Kingdom.

Elements of the prior year turnover have been reclassified to present an updated consistent comparison year on year. Total comparative turnover is unchanged.

5. Exceptional items

	2022 £000	2021 £000
Severance pay	<u>(565)</u>	<u>(205)</u>

6. Other operating income

	2022 £000	2021 £000
Profit on disposal of motor vehicle assets	-	26
Furlough income	1	195
Grant income	211	211
Other income	257	77
	<u>469</u>	<u>509</u>

7. Profit on disposal of leasehold assets

	2022 £000	2021 £000
Profit on disposal of leasehold assets	<u>-</u>	<u>8,093</u>

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

8. Operating loss

The operating loss is stated after charging:

	2022 £000	2021 £000
Amortisation of intangible assets	786	483
Depreciation of tangible fixed assets	267	849
Hire of plant and machinery	13	7
Fees payable to the club's auditor for the audit of the club's annual financial statements	39	33
Non-audit fees	5	5
Operating lease rentals	601	660
	<u>601</u>	<u>660</u>

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £000	2021 £000
Wages and salaries	9,461	8,369
Social security costs	1,039	902
Cost of defined contribution scheme	122	65
	<u>10,622</u>	<u>9,336</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Full time playing, training and football management	113	106
Administration, commercial and stadium maintenance	50	43
Casual staff	20	16
	<u>183</u>	<u>165</u>

10. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	-	362
	<u>-</u>	<u>362</u>

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

11. Interest payable and similar expenses

	2022 £000	2021 £000
Other loan interest	600	535

12. Taxation

	2022 £000	2021 £000
Current tax on (loss)/profit for the year	(1,096)	1,096
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>(1,096)</b>	<b>1,096</b>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
(Loss)/profit on ordinary activities before tax	(7,417)	4,228
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,409)	803
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2	131
Capital allowances for year in excess of depreciation	34	(658)
Non-taxable income	(40)	(382)
Research and development tax credit	-	(7)
Unrelieved tax losses carried forward	1,727	5,460
Remeasurement of deferred tax for changes in tax rates recognised in other comprehensive income	(415)	(496)
Chargeable gains	-	(3,755)
Adjustments to tax charge in respect of prior years	(1,096)	-
Group relief surrendered	101	-
<b>Total tax charge for the year</b>	<b>(1,096)</b>	<b>1,096</b>



---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

12. Taxation (continued)

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

The club has tax losses of approximately £110 million (2021 - £92 million) available to carry forward against future trading profits.

13. Intangible assets

	Players' registrations £000
<b>Cost</b>	
At 1 July 2021	1,937
Additions	1,748
Disposals	(896)
At 30 June 2022	<u>2,789</u>
<b>Amortisation</b>	
At 1 July 2021	590
Charge for the year	786
On disposals	(434)
At 30 June 2022	<u>942</u>
<b>Net book value</b>	
At 30 June 2022	<u><u>1,847</u></u>
At 30 June 2021	<u><u>1,347</u></u>

The figures for cost of player registrations are historical cost figures for purchased players only. Accordingly the net book value of player registrations will not reflect, nor is it intended to, the current market value of these players nor does it take into account the value of any players developed through the club's youth system.

The directors consider the net realisable value of intangible assets to be considerably greater than their net book value.

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

14. Tangible fixed assets

	Motor vehicles £000	Fixtures and fittings £000	Total £000
<b>Cost</b>			
At 1 July 2021	93	5,495	5,588
Additions	-	1,304	1,304
At 30 June 2022	93	6,799	6,892
<b>Depreciation</b>			
At 1 July 2021	93	5,102	5,195
Charge for the year	-	267	267
At 30 June 2022	93	5,369	5,462
<b>Net book value</b>			
At 30 June 2022	-	1,430	1,430
At 30 June 2021	-	393	393

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

15. Debtors

	2022 £000	2021 £000
<b>Due after more than one year</b>		
Trade debtors	2,264	2,050
	<u>2,264</u>	<u>2,050</u>
<b>Due within one year</b>		
Trade debtors	1,523	3,480
Bad debt provision	(22)	(22)
Amounts owed by group undertakings	140	155
Other debtors	149	29
Prepayments and accrued income	424	178
	<u>2,214</u>	<u>3,820</u>

16. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	1,286	3,461
	<u>1,286</u>	<u>3,461</u>

17. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group companies	13,640	-
Trade creditors	2,506	1,242
Corporation tax	4	1,104
Other taxation and social security	813	416
Other creditors	652	556
Accruals and deferred income	2,854	2,965
	<u>20,469</u>	<u>6,283</u>

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

**18. Creditors: Amounts falling due after more than one year**

	2022 £000	2021 £000
Other loans	6,394	6,044
Amounts owed to group undertakings	-	6,818
Other creditors	49	52
Grants received	2,530	2,740
Accruals and deferred income	(32)	28
	<u>8,941</u>	<u>15,682</u>

On 25 September 2020, Clear Ocean Capital Limited acquired the club, as part of the change in ownership of the club, a deed of waiver and release was signed on 25 September 2020 in respect of obligations owed by the club to Staprix NV. The loan owed to Staprix NV of £44,247k was waived in consideration for certain fixtures within leasehold improvement assets which were owned by the club as at 25 September 2020 and contingent consideration being payable by the club to Staprix NV if the club is promoted to the Premier League before 25 September 2030 (note 23). The details of which have not been disclosed as they are considered to be prejudicial to the arrangements entered into by the club as part of the 25 September 2020 transaction.

**19. Loans**

Analysis of the maturity of loans is given below:

	2022 £000	2021 £000
<b>Amounts falling due within one year</b>		
Amounts owed to group companies	13,640	-
<b>Amounts falling due 2-5 years</b>		
Other loans	3,715	3,365
Amounts owed to group companies	-	6,818
	<u>3,715</u>	<u>10,183</u>
<b>Amounts falling due after more than 5 years</b>		
Other loans	2,679	2,679
	<u>20,034</u>	<u>12,862</u>

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

20. Provisions

	Dilapidation provision £000
At 1 July 2021	130
At 30 June 2022	<u>130</u>

21. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
26,477,268 Ordinary shares of £1.00 each	<u>26,477</u>	<u>26,477</u>

The Ordinary shares each have full voting, dividend and distribution rights.

22. Reserves

**Capital contribution**

This reserve relates to capital contributions arising on financing transactions with the club's parent company, Clear Ocean Capital Limited. It was reduced during the year following the change in the terms of the loan with Clear Ocean Capital Limited.

**Profit and loss account**

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

23. Contingent assets and liabilities

Additional transfer and agent fees £679k (2021 - £227k) will become payable depending on players making specific numbers of appearances, gaining international honours and on-field playing success.

Additional fees are receivable of £250k (2021 - £1,255k) where players sold make specific numbers of appearances, gain international honours or achieve on-field success.

Contingent consideration may be payable by the club to Staprix NV if the club is promoted to the Premier League before 25 September 2030. This contingent consideration payable by the club is considered to be a contingent liability as at 30 June 2022. The details of which have not been disclosed as they are considered to be prejudicial to the arrangements entered into by the club as part of the 25 September 2020 transaction.

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

**24. Pension commitment**

The club participates in the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The club is unable to identify its share of assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.

The accrual of benefits ceased within the Scheme on 31 August 1999, therefore there are no contributions relating to current accruals. The club pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme. At 30 June 2022 the club's share of the deficit was £143k (2021 - £174k).

The club currently pays total contributions of £31k (2021 - £30k), per annum which increases at 5.0% per annum (first increase at 1 September 2016) and based on the actuarial valuation assumptions used in the Scheme, will be sufficient to pay off the deficit by 1 July 2026.

**25. Commitments under operating leases**

At 30 June the club had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
<b>Land and building leases</b>		
Not later than 1 year	582	623
Later than 1 year and not later than 5 years	2,350	2,315
Later than 5 years	4,010	4,640
	<u>6,942</u>	<u>7,578</u>
	2022 £000	2021 £000
<b>Other leases</b>		
Not later than 1 year	25	76
Later than 1 year and not later than 5 years	45	66
	<u>70</u>	<u>142</u>

**26. Related party transactions**

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

The total amount of remuneration paid to key management personnel during the year was £2,093k (2021 - £1,368k).

---

CHARLTON ATHLETIC FOOTBALL COMPANY LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

---

**27. Post statement of financial position events**

Since the year end the disposal of players' registrations has generated income of £400k (2021 - £2,000k).

In addition, transfer costs, termination payments and agency fees totalling £95k (2021 - £1,848k) were paid.

On 26th July 2022, 20th September 2022, 30th September 2022, 25th October 2022, 15th November 2022, 25th November 2022, 2nd December 2022, 20th December 2022, 28th December 2022, 21st February 2023 and the 3rd March 2023 the club obtained additional loans from Clear Ocean Capital Limited for £500k, £800k, £700k £500k, £500k, £500k, £300k, £500k, £700k, £850k and £200k respectively. The additional loans of £6,050k are in accordance with the amended terms relating to the £10,500k loan obtained from Clear Ocean Capital Limited on 23 March 2022; interest free, repayable on demand at any time by the Lender.

**28. Controlling party**

The immediate parent undertaking is Clear Ocean Capital Limited, a company registered in England and Wales.

The ultimate parent undertaking is Sandgaard Capital LLC, a company incorporated in the United States of America.

The smallest and largest group of undertakings for which group accounts for the year ending 30 June 2022 have been drawn up is that headed by Clear Ocean Capital Limited. The registered office address of Clear Ocean Capital Limited is The Valley, Floyd Road, London, SE7 8BL. Copies of the group accounts are available from Companies House.

The ultimate controlling party is T Sandgaard, by virtue of their shareholding and directorship in the ultimate parent undertaking.