Registered number: 07326155

BATON 2010 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

BATON 2010 LIMITED

COMPANY INFORMATION

Directors	R Duchâtelet L de Turck (appointed 9 November 2021) R A Murray (resigned 7 December 2020)
Registered number	07326155
Registered office	The Valley Floyd Road London SE7 8BL
Independent auditors	Nyman Libson Paul LLP Chartered Accountants & Registered Auditors 124 Finchley Road London NW3 5JS

BATON 2010 LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Introduction

The principal activity of the group is property investment.

Ownership

Throughout the year the company was owned by Staprix NV, a company registered in Belgium, which is beneficially owned by Roland Duchâtelet.

Financial review

These financial statements include the results of the subsidiary company Charlton Athletic Holdings Limited which has earned rental income from the leases of the Valley Stadium and Charlton Athletic Training Ground to the former subsidiary company, Charlton Athletic Football Company Limited.

On 23 January 2020, the company sold its shareholding in Charlton Athletic Football Company Limited and the 2020 figures in these financial statements include the results of that company up to the date of disposal. Details of the split between the continuing operations of the group and the results from Charlton Athletic Football Company Limited are shown in the consolidated statement of comprehensive income on page 10.

On 25 September 2020, the group acquired the leasehold improvement assets at the Valley Stadium and Charlton Athletic Training Ground which were previously owned by Charlton Athletic Football Company Limited. The assets were transferred to Charlton Athletic Holdings Limited as consideration for a deed of waiver and release of Charlton Athletic Football Company Limited's obligations to Staprix NV.

(Loss)/profit before taxation

The loss before taxation for the year was £3.2m (2020 – profit of £19.9m).

Key Performance Indicators

Following the sale of Charlton Athletic Football Company Limited, the directors consider that there are no relevant key performance indicators.

This report was approved by the board on 13 June 2022 and signed on its behalf.

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L de Turck
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report and the financial statements for the year ended 30 June 2021.

Results and dividends

The loss for the year, after taxation, amounted to £3,165 thousand (2020 - profit £19,868 thousand).

Directors

The directors who served during the year were:

R Duchâtelet
R A Murray (resigned 7 December 2020)

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 Company and the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and 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 Company and the Group 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are 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 Company and the Group's auditors are aware of that information.

Auditors

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

This report was approved by the board on 13 June 2022 and signed on its behalf.

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L de Turck
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATON 2010 LIMITED

Opinion

We have audited the financial statements of Baton 2010 Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATON 2010 LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATON 2010 LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Group 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 identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error, by designing and performing audit procedures responsive to those risks and obtaining sufficient and appropriate evidence to provide a basis for our opinion.

In identifying and assessing risks of material misstatement, we have considered the following:

-the nature of the industry and sector in which the Company operates;

-the control environment and business performance of the Company;

-results of our enquiries of management about their own identification and assessment of the risks of irregularities;

-any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to identifying, evaluating and complying with laws and regulations and detecting and responding to the risks of fraud;

-whether the directors were aware of any instances of non-compliance or of actual, suspected or alleged fraud;

-the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and

-those matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the Company for fraud and identified the greatest potential for fraud to be in respect of management override (i.e. posting of manual adjustments and accounting of complex transactions).

As is common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on those areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards).

The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

The key laws and regulations we considered in this context included the Company's ongoing compliance with the UK Companies Act and tax legislation.

We communicated those relevant identified laws and regulations and potential fraud risks to all engagement

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATON 2010 LIMITED (CONTINUED)

team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Auditing standards limit the required audit procedures to identify non-compliance with laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

In addition, as with any audit, the risk of non-detection of a material misstatement resulting from fraud is greater than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance.

As a result of performing the above, we identified the risk of management override as a key audit matter related to the potential risk of fraud. In response to this, our procedures included:

-reviewing the appropriateness of journal entries recognised and accounting treatment of transactions identifiable as complex and susceptible to judgment and increased likelihood of error;

-assessment of the appropriateness of accounting policies used, the reasonableness of accounting estimates and judgments implemented and whether there is indication of a potential bias; and

-evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the aforementioned, our procedures to respond to risks identified included the following:

-evaluation of the overall presentation, structure and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves a presentation that is true and fair.and in accordance with the provisions of relevant laws and regulations described as having a direct effect on the financial statements;

-enquiring of management concerning actual and potential litigation and claims;

-performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and

-concluding on the appropriateness of the director's application of the going concern basis of accounting in preparing the financial statements and, based on the evidence obtained, concluding whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATON 2010 LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Paul (Senior Statutory Auditor)

for and on behalf of
Nyman Libson Paul LLP

Chartered Accountants
Registered Auditors

124 Finchley Road
London
NW3 5JS

13 June 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	Continuing operations 2021 £000	Discontinued operations 2021 £000	Total 2021 £000	Continuing operations 2020 £000	Discontinued operations 2020 £000	Total 2020 £000
Turnover	4	456	-	456	87	9,174	9,261
Gross profit		456	-	456	87	9,174	9,261
Administrative expenses		(2,365)	-	(2,365)	80	(10,975)	(10,895)
Exceptional admin expenses		-	-	-	-	(83)	(83)
Other operating income		35	-	35	-	-	-
Operating loss	5	(1,874)	-	(1,874)	167	(1,884)	(1,717)
Amounts written off investments		-	-	-	18,652	-	18,652
Profit on disposal of players		-	-	-	-	3,944	3,944
Interest payable and similar expenses	7	(1,291)	-	(1,291)	(636)	(375)	(1,011)
(Loss)/profit before taxation		(3,165)	-	(3,165)	18,183	1,685	19,868
(Loss)/profit for the financial year		(3,165)	-	(3,165)	18,183	1,685	19,868
(Loss)/profit for the year attributable to:							
Owners of the parent Company		(3,165)	-	(3,165)	19,868	-	19,868
		(3,165)	-	(3,165)	19,868	-	19,868

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note		2021 £000		2020 £000
Fixed assets					
Tangible assets	11		53,659		11,700
			53,659		11,700
Current assets					
Debtors: amounts falling due within one year	13	-		92	
Cash at bank and in hand		535		8	
		535		100	
Creditors: amounts falling due within one year	14	(43)		(22)	
Net current assets			492		78
Total assets less current liabilities			54,151		11,778
Creditors: amounts falling due after more than one year	15		(67,257)		(21,719)
Provisions for liabilities					
Deferred taxation	16	(1,935)		(1,935)	
			(1,935)		(1,935)
Net assets excluding pension asset			(15,041)		(11,876)
Net liabilities			(15,041)		(11,876)
Capital and reserves					
Share premium account			3,000		3,000
Revaluation reserve			5,620		5,620
Other reserves			6,798		6,798
Profit and loss account			(30,459)		(27,294)
Equity attributable to owners of the parent Company			(15,041)		(11,876)
			(15,041)		(11,876)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 June 2022.

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L de Turck
Director

The notes on pages 17 to 27 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note		2021 £000		2020 £000
Creditors: amounts falling due within one year	14	(7)		(7)	
Net current liabilities			(7)		(7)
Total assets less current liabilities			(7)		(7)
Creditors: amounts falling due after more than one year	15		(21,936)		(21,719)
Net assets excluding pension asset			(21,943)		(21,726)
Net liabilities			(21,943)		(21,726)
Capital and reserves					
Share premium account			3,000		3,000
Profit and loss account			(24,943)		(24,726)
			(21,943)		(21,726)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 June 2022.

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L de Turck
Director

The notes on pages 17 to 27 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Share premium account	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 July 2019	3,000	20,111	9,075	(63,930)	(31,744)
Comprehensive income for the year					
Profit for the year	-	-	-	19,868	19,868
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	19,868	19,868
Transfer to/from profit and loss account	-	(14,491)	(2,277)	16,768	-
Total transactions with owners	-	(14,491)	(2,277)	16,768	-
At 1 July 2020	3,000	5,620	6,798	(27,294)	(11,876)
Comprehensive income for the year					
Loss for the year	-	-	-	(3,165)	(3,165)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(3,165)	(3,165)
Total transactions with owners	-	-	-	-	-
At 30 June 2021	3,000	5,620	6,798	(30,459)	(15,041)

The notes on pages 17 to 27 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Share premium account	Profit and loss account	Total equity
	£000	£000	£000
At 1 July 2019	3,000	(2,676)	324
Comprehensive income for the year			
Loss for the year	-	(22,050)	(22,050)
Other comprehensive income for the year	-	-	-
Total comprehensive income/(loss) for the year	-	(22,050)	(22,050)
At 1 July 2020	3,000	(24,726)	(21,726)
Comprehensive income for the year			
Loss for the year	-	(217)	(217)
Other comprehensive income for the year	-	-	-
Total comprehensive income/(loss) for the year	-	(217)	(217)
At 30 June 2021	3,000	(24,943)	(21,943)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 £000	2020 £000
Cash flows from operating activities		
(Loss)/profit for the financial year	(3,165)	19,868
Adjustments for:		
Amortisation of intangible assets	-	241
Depreciation of tangible assets	2,288	1,092
Decrease/(increase) in debtors	92	(1,854)
Increase in creditors	1,312	837
Profit on disposal of subsidiary	-	(18,652)
Net cash generated from operating activities	527	1,532
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(236)
Sale of intangible assets	-	37
Purchase of tangible fixed assets	-	(388)
Disposal of subsidiary net of cash disposed of	-	(1,419)
Net cash from investing activities	-	(2,006)
Net increase/(decrease) in cash and cash equivalents	527	(474)
Cash and cash equivalents at beginning of year	8	482
Cash and cash equivalents at the end of year	535	8
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	535	8
	535	8

The notes on pages 17 to 27 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2021

	At 1 July 2020 £000	Cash flows £000	Other non-cash changes £000	At 30 June 2021 £000
Cash at bank and in hand	8	527	-	535
Debt due after 1 year	(21,719)	-	(45,538)	(67,257)
	(21,711)	527	(45,538)	(66,722)

The notes on pages 17 to 27 form part of these financial statements.

1. General information

The Company is a private company limited by shares and is incorporated in England. The address of the registered office is The Valley, Floyd Road, London, SE7 8BL. The principal activity of the company is that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 group management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Basis of consolidation

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The group meets its day to day liabilities using funding from its ultimate parent company, Staprix NV. The board of directors has reviewed the future cash flow projections of the company and in their opinion, the group is able to continue its normal day to day operations for at least 12 months from the date of approval of these financial statements, due to receiving a letter of support from Staprix NV for the period. Accordingly the accounts have been prepared on a going concern basis.

2.4 Revenue

Revenue represents rental income relating to the land on which the Valley Stadium and the Sparrows Lane training ground complex are situated and is stated net of value added tax. Income is recognised over the period of the lease agreement.

2.5 Tangible fixed assets

Freehold buildings comprise the Valley Stadium and the Sparrows Lane training ground. Freehold buildings are initially recognised at cost. Other costs include leasehold improvements, interior fit outs to the stadium and training ground which are initially recognised at cost.

After recognition, under the revaluation model, freehold buildings are carried at fair value determined with sufficient regularity so to ensure that the carrying value does not differ materially from that which would be determined using fair value at the end of each reporting period. Such fair values are determined every five years using the depreciated replacement cost approach because the specialised nature of the asset means that there are no market transactions of this type of asset.

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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:

Leasehold improvements	- 7%
Interior fit outs	- 10 - 20%

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.

2.6 Goodwill

Negative goodwill arising on the acquisition of subsidiaries in the period ending 30 June 2011 is credited to other reserves. This is not in accordance with FRS 102, which requires that negative goodwill should be presented as a negative asset immediately below the goodwill heading on the statement of financial position. Since the negative goodwill materially relates to assets which are neither depreciated or held for resale, the negative goodwill could remain on the statement of financial position as a negative asset indefinitely. The directors consider that the treatment required by FRS 102 would not show a true and fair view, as it would not properly reflect the particular transaction or correctly state the net assets of the group. The treatment adopted is not consistent with the requirements of the Companies Act 2006.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from related parties.

2.11 Creditors

Short term creditors are measured at the transaction price.

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The group's functional and presentational currency is GB pounds.

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.

2.13 Finance costs

Finance costs are charged through profit or loss over the term of the debt using the effective interest rate 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.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised through profit or loss, except that a change 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 company operates and generates income.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is not recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.15 Exceptional items

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following are the key sources of estimation uncertainty:

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.

4. Turnover

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

	2021 £000	2020 £000
Rent receivable	456	87
Television and broadcast	-	4,378
Ticket income and match day activities	-	3,132
Commercial	-	1,166
Other	-	498
	456	9,261

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	2,288	1,092
Amortisation of intangible assets	-	241
Hire of plant and machinery	-	6
Other operating lease rentals	-	66
Auditors' remuneration	4	16

6. Employees

Staff costs were as follows:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Wages and salaries	-	5,113	-	-
Social security costs	-	606	-	-
Cost of defined contribution scheme	-	31	-	-
	-	5,750	-	-

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Full time playing, training and football management	-	78	-	-
Administration, commercial and stadium maintenance	2	45	2	2
	2	123	2	2

During the year, no director of Baton 2010 Limited received any emoluments (2020: £nil) in respect of their services as a director.

7. Interest payable and similar expenses

	2021 £000	2020 £000
Other loan interest payable	1,291	1,011
	1,291	1,011

8. Taxation

	2021 £000	2020 £000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
(Loss)/profit on ordinary activities before tax	(3,165)	19,868
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(601)	3,775
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	33
Depreciation for year in excess of capital allowances	435	(1)
Non-taxable income	-	(3,554)
Tax losses arising / (utilised) in the period	166	(253)
Total tax charge for the year	-	-

Factors that may affect future tax charges

The group has tax losses of approximately £3 million (2020: £3 million) available to carry forward against future trading profits.

9. Exceptional items

	2021	2020
	£000	£000
Staff restructuring	-	83
	-	83

10. Parent company loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £217,000 (2020 - loss £22,050,000).

11. Tangible fixed assets

Group

	Freehold property	Leasehold improvements	Total
	£000	£000	£000
Cost or valuation			
At 1 July 2020	11,700	-	11,700
Additions	-	44,247	44,247
At 30 June 2021	11,700	44,247	55,947
Depreciation			
Charge for the year on owned assets	-	2,288	2,288
At 30 June 2021	-	2,288	2,288
Net book value			
At 30 June 2021	11,700	41,959	53,659
At 30 June 2020	11,700	-	11,700

The leasehold improvement assets acquired in the year were previously owned by the former group undertaking Charlton Athletic Football Company Limited. The assets were transferred to Charlton Athletic Holdings Limited as consideration for a deed of waiver and release of Charlton Athletic Football Company Limited's obligations to Staprix NV.

Cost or valuation at 30 June 2021 is as follows:

	Land and buildings £000
At cost	50,327
At valuation:	
Revalued at 30 June 2021 by the directors	5,620
	55,947

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £000	2020 £000
Group		
Cost	50,327	-
Net book value	50,327	-

12. Fixed asset investments

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	**Class of shares**	**Holding**
Charlton Athletic Holdings Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 30 June 2021 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Charlton Athletic Holdings Limited	6,998,000	(2,948,000)

13. Debtors

	Group 2021 £000	Group 2020 £000
Trade debtors	-	56
Prepayments and accrued income	-	36
	-	92

14. Creditors: Amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Other taxation and social security	-	9	-	-
Accruals and deferred income	43	13	7	7
	43	22	7	7

15. Creditors: Amounts falling due after more than one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts owed to parent company	67,257	21,719	21,936	21,719
	67,257	21,719	21,936	21,719

16. Deferred taxation

Group

	2021
	£000
At beginning of year	(1,935)
Charged to profit or loss	-
At end of year	(1,935)

	Group 2021 £000	Group 2020 £000
Revaluation of tangible fixed assets	(1,935)	(1,935)
	(1,935)	(1,935)

17. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £0.10 each	100	100

18. Contingent liabilities

There are fixed and floating charges over the Company's assets in relation to loans made to the former subsidiary company, Charlton Athletic Football Company Limited, by former directors of that company.

19. Revaluation reserve

The revaluation reserve arose on the revaluation of the Valley Stadium and Sparrows Lane Training Ground and is stated net of deferred tax of £1,935,000 (2020: £1,935,000).

20. Commitments under operating leases

The Group and the Company had no commitments under non-cancellable operating leases at the reporting date.

21. Related party transactions

Staprix NV charged interest on loans in the period resulting in an interest charge of £1,291,000 (2020: £1,011,000). At the year end the group owed Staprix NV £67,257,000 (2020: £21,719,000).

22. Controlling party

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