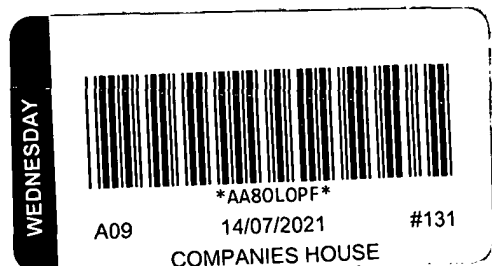


Company number 07206409

CPFC 2010 LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED
31 JULY 2020



CPFC 2010 LIMITED

COMPANY INFORMATION

Directors	S Parish DS Blitzler JJ Harris
Secretary	S O'Loughlin
Company number	07206409 (England and Wales)
Registered office	Selhurst Park Stadium Holmesdale Road London SE25 6PU
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

CPFC 2010 LIMITED

STRATEGIC REPORT

The Directors submit their report and the group financial statements of CPFC 2010 Limited for the 13 month period ended 31 July 2020.

Overview

It is almost impossible to comment on the accounts and financial performance of the Club without immediately referencing Covid-19 and the huge impact this has had on everything and everyone associated with us.

At all times, we have tried to make sure that while adapting to the business conditions created by the pandemic, we acted swiftly to support our local community and stakeholders who were in need. Indeed, we are extremely proud of the way our staff and players adapted to the situation, whether it was phoning vulnerable supporters, the 'Palace Kitchen' that continues to deliver meals to those most in need or working with the NHS to deliver vaccines from Selhurst Park stadium, the club has provided whatever it can to help.

Whilst the pandemic has brought immeasurable loss to the whole country with so many lives lost and also extreme financial problems for many businesses, the Premier League and its clubs managed to avert the worst-case scenario by completing the 2019/20 season. This was done so with the support of Government, albeit sadly with matches played without supporters. Over the two seasons affected, the overall income loss to the club will be around £30m. Some sound financial planning and prudence along with supportive shareholders has granted us both stability and the continuation of investment in the club.

After a strong start to the 2019/20 season and a very promising position in the spring, prior to the mid-season interruption, European qualification was a very real and exciting possibility. There's no doubt the pandemic and resulting lockdown adversely affected the Club's performance. It resulted in a relatively disappointing 14th place finish following a run of bad results after lockdown.

During the period, we made tremendous progress with the Club's Academy development and at the time of writing the majority of upgraded facilities are open, with a target of summer 2021 to be fully operational. This will ensure we are ready for the 2021/22 season as our teams compete with EPPP Category One status. The Academy upgrades are about much more than putting in place state-of-the-art facilities and achieving Category One status. We have long known that we have access to some of the best natural talent in the country, if not the world, on our doorstep in South London.

Having elite academy status, and facilities, to match allows us to attract, retain and develop players who historically may have been lost to other clubs or never had the chance to come to Crystal Palace at all. As such, the project is a statement of intent as much as a development of infrastructure. Indeed, another positive milestone this season was the emergence of Tyrick Mitchell into the first team, having joined the club's Academy aged 15.

Our ambitious Main Stand redevelopment plans at Selhurst Park continues to move forward, with negotiations for land acquisitions being the key task to resolve, but we remain committed to the project.

In a year like no other, our supporters once again showed remarkable loyalty to the Club during these unprecedented times – supporting our various charitable initiatives, with thousands donating their Season Ticket refund towards our Foundation or Academy project, and I would like to take this opportunity to once again thank each and every one of them.

Finance Overview

The accounts have been made up to 31 July 2020, as this covers the extended timeframe to complete the season and therefore reflects a complete season's revenue. While there are 13 months' wages and overheads to deliver this, something that is clearly evident in our Operating Loss, this does accurately reflect the business reality of the situation imposed on us and we feel gives the most accurate view of the Financial performance of the Club for the 19-20 season.

The strong results in 18/19 allowed us to cope with the impact of Covid-19 in much better shape than might have been the case otherwise. While we did take out an external loan of £30m late in the 19/20

CPFC 2010 LIMITED

STRATEGIC REPORT (continued)

financial period and defer some payments, to assist with the Club's cashflow, we still had a zero net debt position at the period end with healthy cash reserves (£58.4m) to support the Club in 20/21 and what we knew would be a turbulent, challenging season. This has proven to be the case, though we are pleased to report that the Club is well placed to look forward to the 21/22 season having seen out, what we all hope, is the worst of the economic impact of the pandemic.

Financial Performance

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

	2020	2019
Average league attendance	25,060	25,455
Final league position	14th	12th
TV matches	17	12
	£'000	£'000
Turnover	142,347	155,404
Staff costs / turnover ratio	93%	77%
Operating expenses (excluding depreciation, amortisation and impairment)	(154,070)	(138,899)
Operating (loss) / profit before depreciation, amortisation and impairment ("EBITDA")	(11,723)	16,505
(Loss) / profit before tax	(58,023)	5,446
Net (liabilities) / assets	(49,107)	8,735

Impact of Covid-19

The impact of Covid-19 on the business financial results was twofold. Firstly, the Premier League TV rebate to broadcasters and the loss of matchday revenue had an impact on Turnover of £11.7m, meaning on a like-for-like basis our Turnover would have been £154.0m. Along with the estimated associated costs saved and exceptional costs incurred the overall net impact of Covid-19 on the financial results was £11.0m

Secondly, the decision to extend the year end to 31 July 2020 meant an extra month's operating cost is shown and this had a £10.5m impact on expenses. An EBITDA loss of £11.7m, as shown above, would have accordingly been a £9.8m profit without these two factors. Overall, when an extra month's depreciation and amortisation is factored in, the loss shown of £58.0m would have still been a loss, but at a much lower level of £32.9m.

The group's Financial Position remains strong with cash balances of £58.4m as at 31 July 2020 (2019: £11.9m), though we should note this is largely supported by the borrowing taken out during the year.

Although the group is showing a net liability position, this mainly comprises of an intercompany loan facility from the parent company Palace Holdco UK Ltd, which charged no interest and will continue to support the group and its subsidiaries.

Principal risks and uncertainties

All our planning takes into account the inherent risks associated with running a Premier League football club. The planning for the Premier League and Championship have significant implications on the core revenue and the club ensures that it keeps within all the guidelines issued by the Premier League on cost controls.

CPFC 2010 LIMITED

STRATEGIC REPORT (continued)

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to report on how they have taken into consideration the interests of stakeholders and other matters in their decision making. The Directors recognise their responsibility to act in a way which promotes the success of the company for all stakeholders and have evaluated how we have engaged with them during the period.

The Board regularly reviews the Club performance and engagement with all stakeholders through frequent meetings and departmental calls. The Covid-19 pandemic has highlighted how dynamic and varied the Club's engagement can be, through a range of mediums and tools, to ensure we interact with all stakeholders on an even more frequent basis in what are challenging times for everybody.

The Club played an active role in the Premier League's 'Project Restart' to ensure the season was completed, whilst ensuring that all Government and medical guidelines were adhered to for core playing, coaching and support staff who were permitted to continue work, which included rigorous testing protocols.

The Club engages with all full time-staff through regular weekly meetings and calls in order to update on Government and Company Covid-19 policy, as well as to monitor wellbeing throughout the pandemic. Whilst supporters were unable to attend matches from March, staff worked tirelessly to prepare for their eventual safe return.

The Directors also recognise that positive relationships with all commercial partners is essential for the continued success of the Club and the local community that we work with. We have been quick to adapt measures to suit each of our stakeholders, whether it be suppliers who need support or commercial partners who need our flexibility at this time to work together.

We have also taken great pride in being at the forefront of efforts to support the local community and engage with the NHS to ensure the Club does everything it can to help local stakeholders.

Key Board decisions made impacting stakeholders in the period are set out below:

- The Board made the decision to financially compensate season ticket holders and hospitality members for Premier League fixtures which were staged behind closed doors because of the COVID-19 pandemic. A number of options were made available to fans: a full refund, roll forward of any funds to future purchases or a donation to either the Club's charity, Palace for Life, or the development of the Academy.
- The Club was extremely proactive in supporting the local community and nationwide efforts related to the pandemic, immediately offering its support and infrastructure to the NHS, providing meals to tens of thousands of members of the local community through 'Palace Kitchen' and then most recently offering Selhurst Park to the NHS as a vaccination centre.
- The Club also recognised its importance in the lives of our fanbase, and during the first national lockdown, more than 50 staff communicated with, and offered support to, in excess of 1,200 Season Ticket holders over the age of 70.
- The Club decided to continue to pay all casual staff and contractors throughout the coronavirus disruption period. The Club had the option to furlough employees as part of the Government Coronavirus Job Retention Scheme, however, opted against doing so.

On behalf of the board

S. Parish

S Parish
Chairman

26 March 2021

CPFC 2010 LIMITED

DIRECTORS' REPORT

The directors submit their report and the group financial statements of CPFC 2010 Limited for the 13 month period ended 31 July 2020.

Principal activity

The group's principal activity during the period was that of overseeing the group's football related activities.

The company's principal activity during the period was that of a holding company.

Dividends

The directors do not recommend the payment of a dividend (2019: £Nil).

Post balance sheet events

Details of post balance sheet events are disclosed in note 25 to the financial statements.

Employees

It is the group's policy to ensure that no employee or job applicant is treated less favourably than another on the grounds of religion, sexual orientation, disability, race, creed, colour, nationality, ethnic or national origins, sex or marital status.

Applications for employment by disabled persons are always fully considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Continued close attention is paid to the health and safety of employees while at work and all employees are provided with appropriate training.

Third party indemnity provision for directors

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

Directors

The following directors have held office since 1 July 2019:

S Parish
DS Blitzler
JJ Harris

Strategic report

Information in connection with Future Developments together with certain employment and business relationship disclosures are not included within this Directors' Report as they are instead included within the Strategic Report on pages 2 to 4 under S414c(11).

Financial instrument risk management

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

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

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

CPFC 2010 LIMITED

DIRECTORS' REPORT

Statement as to disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditor, RSM UK Audit LLP, has indicated its willingness to be reappointed for another term and appropriate arrangements have been made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

On behalf of the board

S. Parish

S Parish
Chairman

26 March 2021

CPFC 2010 LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 period. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPFC 2010 LIMITED

Opinion

We have audited the financial statements of CPFC 2010 Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 July 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, 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 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 group's and of the parent company's affairs as at 31 July 2020 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPFC 2010 LIMITED (continued)

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 period 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 group and the parent company 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 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 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 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.

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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPFC 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

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

29 March 2021

CPFC 2010 LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 31 JULY 2020**

	Notes	13 month period ended 31 July 2020 £000	Year ended 30 June 2019 £000
Turnover	3	142,347	155,404
Operating expenses before depreciation, amortisation & impairment		(154,070)	(138,899)
Operating (loss) / profit before depreciation, amortisation & impairment		(11,723)	16,505
Depreciation		(2,582)	(2,767)
Operating (loss) / profit before amortisation & impairment		(14,305)	13,738
Amortisation		(43,386)	(49,852)
Impairment of player registrations		-	(2,341)
Operating loss before profit on disposal of players		(57,691)	(38,455)
Profit on disposal of players		539	46,181
Operating (loss) / profit		(57,152)	7,726
Interest receivable	5	95	49
Interest payable and similar charges	6	(966)	(2,329)
(Loss) / profit before taxation		(58,023)	5,446
Taxation	9	181	(181)
(Loss) / profit and total comprehensive income for the period		(57,842)	5,265

CPFC 2010 LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2020****Company registration No 07206409**

	Notes	31 July 2020 £000	30 June 2019 £000
Fixed assets			
Intangible assets	10	49,368	80,748
Tangible assets	11	13,072	12,203
		<u>62,440</u>	<u>92,951</u>
Current assets			
Stocks	13	1,204	620
Debtors due after more than one year	14	-	23,634
Debtors due within one year	14	3,597	28,749
Cash at bank and in hand		58,418	11,888
		<u>63,219</u>	<u>64,891</u>
Creditors: Amounts falling due within one year	15	(169,290)	(133,723)
Net current liabilities		<u>(106,071)</u>	<u>(68,832)</u>
Total assets less current liabilities		(43,631)	24,119
Creditors: Amounts falling due after more than one year	16	(1,011)	(11,723)
Provisions for liabilities	17	(4,465)	(3,661)
Net (liabilities) / assets		<u>(49,107)</u>	<u>8,735</u>
Capital and reserves			
Called up share capital	20	16,450	16,450
Profit and loss account		(65,557)	(7,715)
Total equity		<u>(49,107)</u>	<u>8,735</u>

The financial statements on pages 11 to 28 were approved by the board and authorised for issue on 26 March 2021 and signed on its behalf by:



S Parish
Director

CPFC 2010 LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2020

Company registration No 07206409

	Notes	31 July 2020 £000	30 June 2019 £000
Fixed assets			
Investments	12	12,260	12,260
		<hr/>	<hr/>
Current assets			
Debtors	14	4,190	4,190
		<hr/>	<hr/>
		4,190	4,190
Creditors: amounts falling due within one year	15	-	-
		<hr/>	<hr/>
Net current assets		4,190	4,190
		<hr/>	<hr/>
Total assets less current liabilities		16,450	16,450
		<hr/>	<hr/>
Net assets		16,450	16,450
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	20	16,450	16,450
Profit and loss account		-	-
		<hr/>	<hr/>
Shareholders' funds		16,450	16,450
		<hr/>	<hr/>

As permitted by Section 408 Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The parent company's profit for the financial period was £nil (2019: £Nil).

The financial statements on pages 11 to 28 were approved by the board and authorised for issue on 26 March 2021 and signed on its behalf by:

S. Parish

S Parish
Director

CPFC 2010 LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 31 JULY 2020**

GROUP	Share capital £000	Profit and loss account £000	Total £000
Balance at 30 June 2018	16,450	(12,980)	3,470
Total comprehensive income for the year	-	5,265	5,265
Balance at 30 June 2019	16,450	(7,715)	8,735
Total comprehensive income for the period	-	(57,842)	(57,842)
Balance at 31 July 2020	16,450	(65,557)	(49,107)

COMPANY	Share capital £000	Profit and loss account £000	Total £000
Balance at 30 June 2018	16,450	-	16,450
Total comprehensive income for the year	-	-	-
Balance at 30 June 2019	16,450	-	16,450
Total comprehensive income for the period	-	-	-
Balance at 31 July 2020	16,450	-	16,450

CPFC 2010 LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 JULY 2020

	Notes	13 month period ended 31 July 2020 £000	Year ended 30 June 2019 £000
Operating activities			
Cash generated from operations	21	28,354	15,665
Income taxes received		-	3,258
Interest paid		(965)	(2,329)
Net cash generated from operating activities		27,389	16,594
Investing activities			
Purchase of intangible assets		(16,045)	(54,419)
Disposal of intangible assets		45,697	1,797
Purchase of tangible fixed assets		(3,451)	(1,825)
Interest received		95	49
Net cash from / (used in) investing activities		26,296	(54,398)
Financing activities			
Net (Repayments)/advances under funding agreement		(6,865)	8,065
Loans from parent company		-	24,375
Repayment of finance lease and hire purchase liabilities		(290)	(610)
Net cash (used for) / from financing activities		(7,155)	31,830
Net increase / (decrease) in cash and cash equivalents		46,530	(5,974)
Cash and cash equivalents at beginning of period		11,888	17,862
Cash and cash equivalents at end of period		58,418	11,888

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

1 General information

CPFC 2010 Limited ("the Company") is a private company limited by shares and is registered, domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Selhurst Park Stadium, Holmesdale Road, London SE25 6PU.

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

2 Accounting policies

Basis of accounting

These financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"), the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

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

Reduced disclosures

In accordance with FRS102, the Company has taken advantage of the exemptions from the following disclosures requirements:

- Section 7 "*Statement of Cash Flows*" – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 "*Related Parties Disclosures*" – compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of the company and all of its subsidiary undertakings for the period. All financial statements are made up to 31 July 2020. Subsidiaries acquired in the year are consolidated using the acquisition method of accounting. The results are incorporated from the date that control passes.

Going concern

The financial statements have been prepared on the going concern basis. The directors have considered the Company's and the Group's cash flow requirements for the 12 month period from the date of approval of these financial statements. The directors confirm that they will continue to provide or procure additional financial support to the Group for at least that period and as a result have concluded that the Company and the Group will be able to meet their liabilities as they fall due for the foreseeable future.

Turnover

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

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

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

2 Accounting policies (continued)

Turnover (continued)

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

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

Tangible fixed assets and depreciation

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

Freehold buildings	over 50 years
Property improvements	20% Straight Line
Plant and machinery	20% Straight Line
Fixtures, fittings & equipment	20% Straight Line
Motor vehicles	20% Straight Line

Leasing

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

Stock

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

Retirement benefits

The Group contributes to a defined contribution scheme for the benefit of its employees. Contributions payable are charged to profit and loss in the period they are payable.

Foreign currencies

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

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

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

2 Accounting policies (continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Intangible fixed assets - player registrations

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

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

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

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

Provisions

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

Financial Instruments

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

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

2 Accounting policies (continued)

Financial assets

Trade and other debtors

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

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

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

Financial liabilities and equity

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

Trade and other creditors

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

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

Borrowings

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

Key accounting estimates and areas of judgement

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

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

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

3 Turnover

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

	2020 £000	2019 £000
Broadcasting	112,830	124,368
Sponsorship and advertising	12,107	10,895
Gate receipts	8,574	10,602
Other commercial activities	6,213	7,231
Other income	2,623	2,308
	<u>142,347</u>	<u>155,404</u>

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

Sponsorship and advertising – consists of revenue from all our sponsors, partnerships and other advertisement deals.

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

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

Other income – includes revenue from players loaned out, fees for commercial contracts, rental income and all other income.

4 Operating expenses

	2020 £000	2019 £000
Amortisation of player registrations	43,386	49,852
Depreciation of tangible fixed assets	2,582	2,767
Impairment of player registrations	-	2,341
Staff costs (note 8)	132,643	119,295
Other operating charges	21,427	19,604
Total operating expenses	<u>200,038</u>	<u>193,859</u>

5 Interest receivable

	2020 £000	2019 £000
Bank interest receivable	<u>95</u>	<u>49</u>

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

6	Interest payable and similar charges	2020 £000	2019 £000
	On finance leases and hire purchase agreements	108	108
	On other finance costs	858	2,221
		<u>966</u>	<u>2,329</u>

Other finance costs principally comprised of borrowing arrangement fees and interest paid in relation to loan from Aldermore bank.

7	Auditor's remuneration	2020 £000	2019 £000
	Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
	Auditors' remuneration – statutory audit of the company and consolidated financial statements	10	9
	Other services:		
	- Audit services – statutory audit of subsidiaries	41	45
	- Tax compliance and advisory services	21	25
	- Audit related assurance	11	11
		<u>83</u>	<u>90</u>

8	Employees	2020 No	2019 No
	The average monthly number of persons (including directors) employed by the Group during the period was:		
	Players, managers and coaches	154	135
	Administration and commercial	125	101
		<u>279</u>	<u>236</u>

In addition to the disclosure above, the average number of match day and casual staff employed by the group was approximately 686 during the period (2019: 651). The Company had no employees during the period (2019: None).

	2020 £000	2019 £000
Staff costs for the above persons:		
Wages and salaries	115,990	104,878
Social security costs	16,466	14,296
Other pension costs	187	121
	<u>132,643</u>	<u>119,295</u>

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

8 Employees (continued)

The directors, who are also considered to be the Group's key management personnel, received remuneration, of £801,867 during the period (2019: £2,601,000). This all related to the highest paid director. No director received pension benefits during the period (2019: Nil). Total key management personnel compensation for the period was £912,524 (2019: £2,960,000), which includes social security costs of £110,657 (2019: £359,000). Any bonus received by the Chairman has been invested back into the club for the ongoing Academy redevelopment.

9	Taxation	2020 £000	2019 £000
	Based on the (loss) / profit for the period:		
	UK corporation tax for the period	-	181
	Adjustment in respect of prior periods	(181)	-
		<u>(181)</u>	<u>181</u>
	Deferred tax		
	Origination and reversal of timing differences	-	-
	Tax (credit) / charge for the period	<u>(181)</u>	<u>181</u>
	Factors affecting the tax (credit) / charge for the period		
	The tax assessed for the period differs from the standard rate of corporation tax in the UK as explained below:		
	(Loss) / profit before tax	(58,023)	5,446
	(Loss) / profit before tax multiplied by the standard rate of UK corporation tax UK of 19% (2019: 19%)	<u>(11,024)</u>	<u>1,035</u>
	Effects of:		
	Expenses not deductible for tax purposes	83	27
	Fixed asset permanent differences	260	267
	Losses carried forward / (utilised)	10,908	(1,131)
	Reversal of other timing differences	(537)	-
	Other differences	129	(17)
	Tax (credit) / charge for the period	<u>(181)</u>	<u>181</u>

The group has tax losses carried forward as at 31 July 2020 of approximately £72,000,000 (2019: £15,000,000). A deferred tax asset of £13,680,000 (2019: £2,850,000) has not been recognised in respect of the losses due to the uncertainty as to the timing of future taxable profits.

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

10	Intangible fixed assets						Player registrations £000
	Cost						
	1 July 2019						208,047
	Additions						12,006
	Disposals						(8,833)
	31 July 2020						211,220
	Amortisation						
	1 July 2019						127,299
	Charged in the period						43,386
	Disposals						(8,833)
	31 July 2020						161,852
	Net book value						
	31 July 2020						49,368
	30 June 2019						80,748
11	Tangible fixed assets	Assets under construction £000	Freehold land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
	Cost						
	1 July 2019	1,133	8,770	11,851	4,865	164	26,783
	Additions	1,642	468	864	476	1	3,451
	31 July 2020	2,775	9,238	12,715	5,341	165	30,234
	Depreciation						
	1 July 2019	-	1,620	8,530	4,313	117	14,580
	Charged in the period	-	316	1,870	367	29	2,582
	31 July 2020	-	1,936	10,400	4,680	146	17,162
	Net book value						
	31 July 2020	2,775	7,302	2,315	661	19	13,072
	30 June 2019	1,133	7,150	3,321	552	47	12,203

Freehold land and buildings include £2,396,000 (2019: £2,396,000) of land that is not depreciated. The net book value of plant and machinery includes £743,000 (2019: £1,280,000) in respect of assets held under finance leases.

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

12	Fixed asset investments	Shares in group undertakings £000
	Company	
	Cost and net book value	
	1 July 2019	12,260
	Additions	-
	31 July 2020	<u>12,260</u>

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

Subsidiary undertakings:	Class of holding	Proportion directly held	Nature of business
CPFC Limited	Ordinary	100%	Football Club
CPFC Selhurst Park Limited	Ordinary	100%	Stadium management

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

13	Stocks	Group		Company	
		2020	2019	2020	2019
		£000	£000	£000	£000
	Goods held for resale	1,204	620	-	-
14	Debtors	Group		Company	
		2020	2019	2020	2019
		£000	£000	£000	£000
	Due within one year				
	Trade debtors	965	777	-	-
	Debtors arising from football transfers	1,636	23,160	-	-
	Other debtors	-	2,080	-	-
	Amounts owed by group undertakings	677	512	4,190	4,190
	Prepayments and accrued income	319	2,220	-	-
		3,597	28,749	4,190	4,190
	Due after more than one year				
	Debtors arising from football transfers	-	23,634	-	-
		3,597	52,383	4,190	4,190

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

15	Creditors: Amounts falling due within one year	Group		Company	
		2020 £000	2019 £000	2020 £000	2019 £000
	Advances under funding agreement	30,499	37,364	-	-
	Amounts owed to group undertakings	45,376	45,376	-	-
	Trade creditors	1,917	3,269	-	-
	Creditors arising from football transfers	11,800	7,503	-	-
	Corporation tax	-	181	-	-
	Other taxation and social security	17,973	11,449	-	-
	Other creditors	3,517	2,372	-	-
	Finance lease and hire purchase liability	812	586	-	-
	Accruals and deferred income	57,396	25,623	-	-
		<u>169,290</u>	<u>133,723</u>	<u>-</u>	<u>-</u>

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

Amounts owed to group undertakings include monies advanced from Palace Holdco UK Limited of £45,376,000 (2019: £45,376,000) following capital calls made by Palace Holdco UK Limited from its existing investors. These loans are non-interest bearing. Subsequent to the period end, the loans have been extended to 30 November 2021.

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

16	Creditors: Amounts falling due after more than one year	2020 £000	2019 £000
	Creditors arising from football transfers	-	9,140
	Other creditors	817	1,871
	Finance lease and hire purchase liability	188	704
	Accruals and deferred income	6	8
		<u>1,011</u>	<u>11,723</u>

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

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

17 Provisions for liabilities

	Cost of Player Registration	
	2020 £000	2019 £000
Balance at 1 July 2019	3,661	8,396
Provided in period	2,600	1,040
Reversed in period	-	(1,643)
Utilised in period	(1,796)	(4,132)
Balance at 31 July 2020	<u>4,465</u>	<u>3,661</u>

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

18 Contingent transfer fees

The estimated commitment for additional transfer fees payable in respect of future possible events (mainly appearances) amounts to £2,065,000 (2019: £1,995,000). These amounts have not been included in the financial statements as it is not probable that a liability will arise.

Under the terms of a contract for the sale of a player, future payments are expected to be received in respect of future events up to a maximum of £5,000,000 (2019: £5,000,000). These amounts have not been included in the financial statements as contingent assets are only recognised when they become virtually certain.

19 Operating lease commitments

At the period end, the Group had commitments for the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Payments due		
Within one year	575	332
After one year and within five years	2,300	2,300
After five years	19,580	20,155
	<u>22,455</u>	<u>22,787</u>

The Company had no operating lease commitments.

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020

20	Share capital and reserves	2020 £000	2019 £000
	Allotted, called up and fully paid Ordinary shares of £1 each	16,450	16,450

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

The profit and loss account comprise cumulative profit and loss less distributions to owners.

21	Cash flows	2020 £000	2019 £000
	Reconciliation of (loss) / profit after tax to net cash generated from operations		
	(Loss) / profit after tax	(57,842)	5,265
	Depreciation of tangible fixed assets	2,582	2,767
	Amortisation of player registrations	43,386	49,852
	Gain on disposal of player registrations	(539)	(46,181)
	Impairment of player registration	-	2,341
	Interest receivable	(95)	(49)
	Tax (credit) / charge	(181)	181
	Interest payable	966	2,329
	Operating cash flows before movements in working capital	(11,723)	16,505
	Increase in stocks	(584)	(1)
	Decrease / (increase) in debtors	3,631	(597)
	Increase / (decrease) in creditors	37,030	(242)
	Cash generated from operations	28,354	15,665

22 Retirement benefits

The Group contributes to defined contribution pension schemes. The assets of the schemes are held in independently administered funds. The pension cost charge for the period of £187,000 (2019: £121,000) represents contributions payable by the Group. Contributions totalling £34,000 (2019: £33,000) were payable at the period end and are included in other creditors.

CPFC 2010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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23 Related party transactions

During the period £29,000 (2019: £123,000) was charged by VMM Ltd, a company controlled by S Parish (a director), in respect of services provided to the group. The amounts owed to VMM Ltd as at 31 July 2020 was £nil (2019: £nil).

During the period £156,000 (2019: £156,000) was charged by Smoke & Mirrors Group Limited, a company controlled by S Parish (a director), for rent payable under a tenancy agreement that can be terminated by giving six months' notice. The amounts owed to Smoke & Mirrors Group Limited, excluding VAT, as at 31 July 2020 was £nil (2019: £78,000).

24 Ultimate parent company

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

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

25 Post balance sheet events

After the period end, the group contracted for the sale and purchase of a number of players. The net cost of these transfers was £11.9m (2019: £6.4m).

The shareholders continued to support the development of the Club by raising £7.4m in the second half of 2020 to help fund major infrastructure works at the Club's academy site. Additionally, £5m of investment was secured from new investors to help support both the academy project and the Club's wider plans.