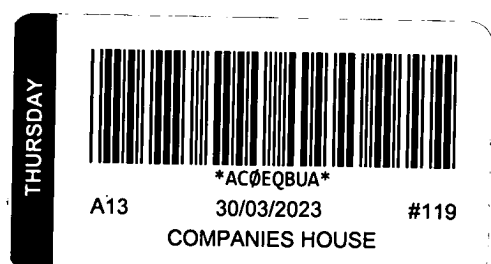


Manchester City Limited

Directors' Report and Financial Statements

For the year ended 30 June 2022

Registered number 02989498



Manchester City Limited

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Manchester City Limited

Directors and Company Information

Directors

K Al Mubarak (Chairman)
M Edelman
S Pearce
J MacBeath
A Galassi
M Al Mazrouei (resigned on 1 January 2022)

Company Secretary

S Cliff

Registered Office

City Football HQ, 400 Ashton New Road, Manchester, M11 4TQ

Bankers

Barclays Bank PLC, 51 Mosley Street, Manchester, M60 2AU

Auditors

BDO LLP, 3 Hardman Street, Manchester, M3 3AT

Manchester City Limited

Strategic Report

The Directors present their annual report, together with the financial statements and Auditors' report, for the year ended 30 June 2022.

Principal activities

The principal activity is the operation of a holding company.

Business review

The Company's activity includes the impairment and reversal of impairment of Manchester City Football Club Limited.

Risks and uncertainties

The key risk facing the Company is the reliance on the parent company to provide financial support in order for it to operate.

Future developments

The future strategic direction of the Company is dependent upon the needs of the wider Group. There have been no subsequent events between the year end and the date of the financial statements being signed which would require disclosure.

Section 172 (1) statement

From the perspective of the Board, as a result of the City Football Group ("the Group") governance structure, whereby the Manchester City Limited Board is embedded within the Group Board, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the Group Board in relation both to the Group and to the Company. The Board has also considered relevant matters where appropriate. To the extent necessary for an understanding of the development, performance, and position of the Company, an explanation of how the Group Board has considered the matters set out in s172, for the Group and for the Company, is set out in the Group's annual report, which does not form part of this report. The impact of decisions specific to the Company are considered with regards to the Group as a whole.

Manchester City Limited

Directors' Report

The Directors present their annual report, together with the financial statements and Auditors' report, for the year ended 30 June 2022.

Directors

The Directors who held office during the year were as follows:

K Al Mubarak (Chairman)

M Edelman

S Pearce

J MacBeath

A Galassi

M Al Mazrouei (resigned on 1 January 2022)

Result for the year

The profit for the financial year was £41,726,000 (2021: £2,367,000 profit). The Directors do not propose a dividend (2021: £nil).

Political and charitable contributions

The Company made no political or charitable contributions during the year (2021: £nil).

Stakeholder statements

Employees

From the perspective of the Board, as a result of the Group governance structure, the Group Board has taken the lead in carrying out the duties of a Board in respect of the Company's employees, including engaging with them, having regard to their interests and the effect of that regard (including on the principal decisions taken by the Company during the financial year). The Board of the Company has also considered relevant matters where appropriate. An explanation of how the Group Board has carried out these responsibilities, for the Group and for the Company, is set out in the Group's annual report, which does not form part of this report.

Other stakeholders

Similarly, from the perspective of the Board, as a result of the Group governance structure, the Group board has taken the lead in carrying out the duties of a Board in respect of the Company's other stakeholders. The Board of the Company has also considered relevant matters where appropriate. An explanation of how the Directors on the Group Board have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, is set out, for the Group and for the Company, in the Group's annual report, which does not form part of this report.

Streamlined Energy and Carbon Reporting

The Company is exempt from the requirement to include Streamlined Energy and Carbon Reporting ('SECR') data due to this information being included in the Group report of the parent, City Football Group Limited. The Group report is prepared for the same financial year end as the Company and complies with the SECR disclosure requirements set out in Part 7A of Schedule 7 without relying on a "seriously prejudicial" exemption.

By order of the Board

DocuSigned by:

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J MacBeath
Director
7 October 2022

Manchester City Limited

Statement of Directors' Responsibilities

Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial 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 Company and of the profit or loss of the Company for that period.

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

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

The Directors are responsible for 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

The auditor, BDO LLP, is deemed to be reappointed under section 487(2) of the Companies Act 1985 which continues in force under the Companies Act 2006.

By order of the Board

DocuSigned by:

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J MacBeath
Director
7 October 2022

Manchester City Limited

Independent Auditors' Report to the Members of Manchester City Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit 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.

We have audited the financial statements of Manchester City Limited ("the Company") for the year ended 30 June 2022 which comprise the Statement of Profit and Loss, Balance Sheet, Statement of Changes in Equity 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 Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

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 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.

Other information

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

Manchester City Limited

Independent Auditors' Report to the Members of Manchester City Limited (continued)

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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.

Manchester City Limited

Independent Auditors' Report to the Members of Manchester City Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risks of acts by the Company which were contrary to applicable laws and regulations, including fraud, and whether such actions or non-compliance might have a material effect on the financial statements. These included but are not limited to those that relate to the form and content of the financial statements, such as accounting policies, UK GAAP, the Companies Act 2006, relevant taxation legislation, Health and Safety, and the Bribery Act 2010.

We determined that the principal risks were related to inappropriate journals entries and management bias in accounting estimates. Our audit procedures included but were not limited to:

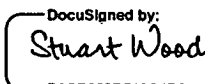
- agreement of the financial statement disclosures to underlying supporting documentation;
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular the carrying amount of investments;
- identifying and testing journal entries, in particular journal entries posted with unusual account combinations;
- discussions held with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- review of minutes of board meetings from throughout the year as well as a review of internal audit reports
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations, or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

DocuSigned by:

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Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

07 October 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Manchester City Limited

Statement of Profit and Loss

for the year ended 30 June 2022

	Note	2022 £000	2021 £000
Reversal of impairment in subsidiary undertakings	4	41,726	2,367
Profit on ordinary activities before taxation		41,726	2,367
Taxation		-	-
Profit on ordinary activities after taxation		41,726	2,367

The Company had no recognised gains or losses in the period other than those dealt with in the Statement of Profit and Loss account above, therefore no separate statement of other comprehensive income and expenditure has been presented.

The notes on pages 12 to 15 form part of these financial statements.

Manchester City Limited

Balance Sheet

Registered number: 02989498

As at 30 June 2022

	Note	2022 £000	2021 £000
Non-current assets			
Investments	4	698,033	656,307
Net assets		698,033	656,307
Equity			
Called up share capital	5	146,344	146,344
Share Premium account		1,232,393	1,232,393
Profit and loss account		(680,704)	(722,430)
Total equity		698,033	656,307

The notes on pages 12 to 15 form part of these financial statements.

These financial statements were approved by the Board of Directors on 7 October 2022 and were signed on its behalf by:

DocuSigned by:

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J MacBeath
 Director

Manchester City Limited

Statement of Changes in Equity

	Share capital £000	Share Premium £000	Profit and loss account £000	Total £000
As at 1 July 2020	123,115	1,232,393	(724,797)	630,711
Issue of shares	23,229	-	-	23,229
Reversal of impairment	-	-	2,367	2,367
As at 30 June 2021	146,344	1,232,393	(722,430)	656,307
Reversal of impairment	-	-	41,726	41,726
As at 30 June 2022	146,344	1,232,393	(680,704)	698,033

The notes on pages 12 to 15 form part of these financial statements.

Manchester City Limited

Notes to the Financial Statements

1. General information

The financial statements of Manchester City Limited (the 'Company') for the year ended 30 June 2022 were authorised for issue by the Board of Directors and the Balance Sheet was signed on the Board's behalf by J MacBeath on 7 October 2022. Manchester City Limited is a private company limited by share capital incorporated and domiciled in England and Wales under the Companies Act 2006. The registered office is City Football HQ, 400 Ashton New Road, Manchester, M11 4TQ. The principal activities of the Company are discussed in the Directors' report.

These financial statements were prepared in accordance with Financial Reporting Standard ('FRS') 101 under the historical cost convention and are presented in pounds sterling and all values are rounded to the nearest thousand except when otherwise stated.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all of the years presented.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 issued by the FRC. The Company financial statements have therefore been prepared in accordance with FRS 101 and with those parts of the Companies Act 2006 applicable to Companies reporting under FRS 101.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirement of IFRS 7 Financial instruments: disclosures.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- The requirements of IAS 7 Statement of cash flows.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors.
- The requirements of paragraph 17 and 18A of IAS 24 Related party disclosures.
- The requirement in paragraph 38 of IAS 1 Presentation of financial statements to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 Property, plant and equipment and (iii) paragraph 118(e) of IAS 38 Intangible assets.
- The requirements in IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(fii), 130(fiii), 134(d)-(f) and 135(c)-(e) of IAS 36 Impairment of assets.

Manchester City Limited

Notes to the Financial Statements *(continued)*

2. Significant accounting policies *(continued)*

New standards, amendments and interpretations

No standards have been adopted mandatorily for the first time, or adopted early, by the Company.

New and amended standards and interpretations issued but not yet effective

- Amendments to IAS 16 Property, Plant and Equipment (mandatory from financial year beginning 1 July 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (mandatory from financial year beginning 1 July 2022)
- Annual Improvements to IFRS 1 First time adoption of IFRS (mandatory from financial year beginning 1 July 2022)
- Annual Improvements to IFRS 9 Financial Instruments (mandatory from financial year beginning 1 July 2022)

Going Concern

The forecasting was prepared for City Football Group ('the Group'), of which the Company is a subsidiary. The Group has prepared a detailed cash flow forecast which shows that the Group is able to operate and meet its liabilities as they fall due for payment for at least 12 months from the date of approval of these financial statements.

The Group considered multiple scenarios and performed stress-tests to the cash flow forecast, including reductions in future expected cash inflows as well as increases to the interest rate charged on the \$650m term loan secured in July 2021. The conflict in Ukraine and the current global economic climate have also been considered as part of this forecasting.

Following this assessment, the Directors reasonably expect the Group will continue in existence for a period of at least 12 month the date these financial statements are approved. The Group have signed a letter of financial support for the Company. Accordingly, the financial statements have been prepared on a going concern basis.

Foreign currency translation

The Company's financial statements are presented in pound sterling, which is also the Company's functional currency, which is the currency of the primary economic environment in which the entity operates.

Manchester City Limited

Notes to the Financial Statements *(continued)*

2. Significant accounting policies *(continued)*

Transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the reporting date. All differences are taken to the Statement of Profit and Loss with the exception of all monetary items that form part of a net investment in a foreign operation. These are recorded in other comprehensive income until the disposal of the net investment, at which time they are reclassified to the Statement of Profit and Loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Investments

The Company assesses each of its investments to assess whether control or significant influence exists. When the Company assesses that it has control of an investment, the investment is treated as a subsidiary whose financial results are consolidated into the Company's financial statements. If control or joint control does not exist, the Company assesses the investment for significant influence. When significant influence does not exist, the investment is treated as a financial investment by the Company.

Other investments held are stated at cost less any provision for impairment.

3. Operating profit

Auditor's fees are borne by City Football Group Limited, its immediate parent company.

4. Fixed Asset Investments

	Shares in Group Undertakings £000
Cost	
As at 1 July 2021	1,384,719
As at 30 June 2022	1,384,719
Provision	
As at 1 July 2021	728,412
Reversal of impairment	(41,726)
As at 30 June 2022	686,686
Net book value	
As at 30 June 2022	698,033
As at 1 July 2021	656,307

The reversal of impairment is due to the subsidiary making a profit in the year.

Manchester City Limited

Notes to the Financial Statements *(continued)*

4. Fixed Asset Investments *(continued)*

Subsidiary undertakings	Principal activities	Country of incorporation and operation	Proportion of voting rights and share capital held	Registered address
Manchester City Football Club Limited	Professional football club	England	100%	Etihad Stadium, Etihad Campus, Manchester, M11 3FF

5. Called up share capital

	2022 £000	2021 £000
Issued and called up		
Equity: 1,463,317,523 (2021: 1,463,317,523) Ordinary shares 10p each - fully paid	146,332	146,332
20 Ordinary shares 10p each - 2.5p paid	-	-
Non-equity: 49,998 Redeemable deferred shares £1 each - 25p paid	12	12
	146,344	146,344

No shares were issued in the year.

6. Ultimate parent company

On 25 July 2021, the Company's ultimate parent undertaking changed from Abu Dhabi United Group Investment and Development Limited to Newton Investment & Development - Sole Proprietorship L.L.C, a company also registered in Abu Dhabi and wholly owned by His Highness Sheikh Mansour bin Zayed Al Nahyan.

City Football Group Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements. The City Football Group Limited consolidated financial statements can be obtained from Companies House.