

City Football Image Rights Limited

Directors' Report and Financial Statements

For the year ended 30 June 2022

Registered number 06930213

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Directors and Company Information

Directors

K Al Mubarak (Chairman)
M Edelman
S Pearce
J MacBeath
A Galassi
M Al Mazrouei (resigned 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, M2 3HQ

Auditors

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

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 30 June 2022.

Principal activity

The principal activity of the Company is the management of professional football player image rights. There are currently no active image rights agreements managed by the Company.

Business review

There was no profit or loss in the year. The loss of £2,000 for 2021 reflects the interest payable on the overdraft facility in the Company.

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. They are confident that the Company and the wider Group, of which the Company is part, has robust plans in place to ensure their financial security and future success.

Proposed dividend

The Directors do not propose a dividend (2021: *£nil*).

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 1 January 2022)

Political and charitable contributions

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

Future developments

The Company no longer manages any player image rights agreements on behalf of the City Football Group ('the Group'). Therefore, management are in the process of reviewing the Company's purpose within the Group and potential future developments include a repurposing of the Company's principal activity.

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by the Companies Act 2006 and the exemption from the requirement to prepare a Strategic Report.

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
24 March 2023

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 year. 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 year.

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.

By order of the Board

DocuSigned by:

John MacBeath

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J MacBeath

Director

24 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY FOOTBALL IMAGE RIGHTS 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 result 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 City Football Image Rights Limited ("the Company") for the year ended 30 June 2022 which comprise the Statement of Profit and Loss, the Balance Sheet, the 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 *Reduced Disclosure Framework* (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.

Other Companies Act 2006 reporting

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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:

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.

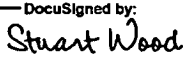
- We determined that the principle risk were related to inappropriate journals entries and management bias in accounting estimates. Our audit procedures included but were not limited to:
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations;
- Discussion 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
24th March 2023*

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

Statement of Profit and Loss*for the year ended 30 June 2022*

	Note	2022 £000	2021 £000
Turnover	3	-	-
Operating expenses		-	-
Operating profit	4	-	-
Profit before interest and taxation		-	-
Interest payable and similar charges	6	-	(2)
Loss on ordinary activities before taxation		-	(2)
Taxation	7	-	-
Loss on ordinary activities after taxation		-	(2)

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

The notes on pages 11 to 16 form part of these financial statements.

Balance Sheet

Registered number: 06930213
as at 30 June 2022

	Note	2022 £000	2021 £000
Current assets			
Trade and other receivables	8	-	4,676
Current liabilities			
Trade and other payables	9	(2)	(4,868)
Net current liabilities		(2)	(192)
Total assets less current liabilities		(2)	(192)
Equity			
Called up share capital	10	5,590	5,400
Profit and loss account		(5,592)	(5,592)
Total equity		(2)	(192)

The notes on pages 11 to 16 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board of Directors on 24 March 2023 and were signed on its behalf by:

DocuSigned by:
John MacBeath
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J MacBeath
Director

Statement of Changes in Equity

	Share capital £000	Profit and loss account £000	Total £000
As at 1 July 2020	5,400	(5,590)	(190)
Loss for the year	-	(2)	(2)
As at 30 June 2021	5,400	(5,592)	(192)
Issue of share capital	190	-	190
Loss for the year	-	-	-
As at 30 June 2022	5,590	(5,592)	(2)

The notes on pages 11 to 16 form part of these financial statements.

Notes to the Financial Statements

1. General Information

The financial statements of City Football Image Rights 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 24 March 2023. City Football Image Rights 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; (iv) paragraphs 76 and 79(d) of IAS 40 Investment property; and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 40(a)-(d), 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- 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; and
- the requirements of paragraphs 130(fii), 130(fiii), 134(d)-(f) and 135(c)-(e) of IAS 36 Impairment of assets.

Notes to the Financial Statements *(continued)*

2. Significant accounting policies *(continued)*

Going Concern

The forecasting was prepared for City Football Group Limited ('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.

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 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).

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.

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 profit and loss account 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 profit and loss account. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Notes to the Financial Statements *(continued)*

2. Significant accounting policies *(continued)*

Transactions and balances *(continued)*

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.

Turnover

Turnover represents the fair value of considerations received or receivable from the Company's principal activities, excluding Value Added Tax, other sales taxes and transfer fees.

Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in profit and loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are only recognised by the Company when management is certain they can be utilised in the foreseeable future.

VAT and other sales taxes

Turnover, expenses and assets are recognised net of the amount of VAT or other sales tax, except where the VAT or sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT or sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of VAT or sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes to the Financial Statements *(continued)*

2. Significant accounting policies *(continued)*

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. If collection is expected in greater than one year, the receivables are presented as non-current assets. If the receivables are expected to be collected in one year or less, they are presented as current assets.

For trade receivables, the Company applies a simplified approach in calculating expected credit losses ('ECLs'). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

Where previously impaired receivables are subsequently recovered, amounts previously written off are credited to profit and loss.

Cash at bank and in hand

Cash at bank and in hand in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

Trade and other payables

Trade and other payables are obligations to pay for goods and services which have been acquired in the commercial operations of the Company. Amounts payable are presented as non-current liabilities if payment is due in greater than one year. Where amounts payable are due in one year or less, they are presented as current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. Turnover

All turnover originates in the United Kingdom. The Company has one activity which is the management of professional footballer image rights. All of the results for this activity are included within the primary statements. There has been no turnover generated in the year as the Company is not currently managing any image rights agreements on behalf on the Group.

4. Operating profit

Auditor fees were £5,000 (2021: £1,000). The fee for the current year audit of the Company's financial statements has been borne by City Football Group Limited, its immediate parent company.

5. Employees

The Company has no employees (2021: none). None of the Directors received remuneration from the Company (2021: £nil).

6. Interest payable and similar charges

	2022 £000	2021 £000
Bank loans and overdrafts	-	2

Notes to the Financial Statements *(continued)***7. Taxation****(a) Analysis of the tax charge in the period:**

	2022 £000	2021 £000
Current tax		
UK corporation tax at 19 % (2021: 19%) on losses for the year	-	-
Tax on loss from ordinary activities	-	-

(b) Factors affecting tax charge for the year:

The current tax charge for the year varies from the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
Loss on ordinary activities before taxation	-	(2)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	-	-
Effects of:		
Deferred tax not recognised	-	-
Total tax charge for the year	-	-

(c) Factors that may affect future tax charges:

The Company expects its effective tax rate in future years to be less than the standard rate of corporation tax in the UK due principally to the amount of tax losses available to be set off against future taxable profits.

The Company has not recognised a deferred tax asset of £1.4m (2021: £1.4m) in relation to accumulated losses, accelerated capital allowances and short-term timing differences due to the uncertainty as to whether it can be utilised in the foreseeable future. The losses do not have an expiry date.

8. Current trade and other receivables

	2022 £000	2021 £000
Amounts owed by group undertakings	-	4,676

9. Current trade and other payables

	2022 £000	2021 £000
Amounts owed to group undertakings	-	2,064
Bank overdraft	-	2,804
Other payables	2	-
	2	4,868

Notes to the Financial Statements *(continued)***10. Called up share capital**

	2022	2021
	£000	£000
Allotted, called up and fully paid		
5,590,469 (2021: 5,400,000) Ordinary share of £1	5,590	5,400

11. Related party transactions

There were no transactions during the year ended 30 June 2022 with New York City Football Club LLC. There are no balances outstanding at the year-end (2021: £4,676,000) included in payables due within one year.

12. 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. Copies of City Football Group Limited consolidated financial statements can be obtained from Companies House.