

City Football Image Rights Limited

Directors' Report and Financial Statements

For the year ended 30 June 2020

Registered number 06930213

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City Football Image Rights Limited

Contents	Page
Directors and Advisors	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditors' Report	5
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

City Football Image Rights Limited

Directors and Advisors

Directors

K Al Mubarak (Chairman)
M Edelman
S Pearce
J MacBeath
A Galassi
M Al Mazrouei

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

City Football Image Rights Limited

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 30 June 2020.

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

The loss of £11,000 (2019: £57,000) for the year 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. The Board and management continue to monitor the COVID-19 situation as it evolves. They are confident that the Company and the wider Group, of which the Company is part, have robust plans in place to ensure their financial security and future success.

Proposed dividend

The Directors do not propose a dividend (2019: £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

Political and charitable contributions

The Company made no political or charitable contributions during the year (2019: £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 or winding up the Company.

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.

By order of the Board

DocuSigned by:

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J MacBeath
Director
19 March 2021

City Football Image Rights 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 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

19 March 2021

City Football Image Rights Limited

Independent Auditors' Report to the Members of City Football Image Rights Limited

Opinion

We have audited the financial statements of City Football Image Rights Limited ("the Company") for the year ended 30 June 2020 which comprise the Profit and Loss Account, the Balance Sheet and the Statement of Changes in Equity, and the 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 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. 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 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.

City Football Image Rights Limited

Independent Auditors' Report to the Members of City Football Image Rights Limited *(continued)*

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.

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.

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

City Football Image Rights Limited

Independent Auditors' Report to the Members of City Football Image Rights Limited *(continued)*

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.

A further description of our responsibilities for the audit of the financial statements is located 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.



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

19 March 2021

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

City Football Image Rights Limited

Profit and Loss Account

for the year ended 30 June 2020

	Note	2020 £000	2019 £000
Turnover	3	-	-
Operating expenses		-	-
Operating profit	4	-	-
Profit before interest and taxation		-	-
Interest payable and similar charges	6	(11)	(57)
Loss on ordinary activities before taxation		(11)	(57)
Taxation	7	-	-
Loss on ordinary activities after taxation		(11)	(57)

The Company had no recognised gains or losses in the period other than those dealt with in the profit and loss account 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.

City Football Image Rights Limited

Balance Sheet

Registered number: 06930213


as at 30 June 2020

	Note	2020 £000	2019 £000
Current assets			
Debtors: amounts falling due within one year	8	4,676	4,749
Current liabilities			
Creditors: amounts falling due within one year	9	(4,866)	(4,855)
Net current liabilities		(190)	(179)
Total assets less current liabilities			
		(190)	(179)
Capital and reserves			
Called up share capital	10	5,400	5,400
Profit and loss account		(5,590)	(5,579)
Shareholders' deficit		(190)	(179)

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 19 March 2021 and were signed on its behalf by:

DocuSigned by:

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J MacBeath
 Director

City Football Image Rights Limited

Statement of Changes in Equity

	Share capital £000	Profit and loss account £000	Total £000
As at 1 July 2018	5,400	(5,522)	(122)
Loss for the year	-	(57)	(57)
As at 30 June 2019	5,400	(5,579)	(179)
Loss for the year	-	(11)	(11)
As at 30 June 2020	5,400	(5,590)	(190)

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

City Football Image Rights Limited

Notes to the Financial Statements

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of City Football Image Rights Limited (the 'Company') for the year ended 30 June 2019 were authorised for issue by the Board of Directors and the balance sheet was signed on the Board's behalf by J MacBeath on 19 March 2021. 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

City Football Image Rights Limited

Notes to the Financial Statements *(continued)*

2. Significant accounting policies *(continued)*

Going Concern

The Board of Directors have prepared a detailed cash flow forecast for the period to March 2022. The forecasting was prepared for City Football Group ('the Group'), of which the Company forms a part, and shows that the Company 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 utilising the Group's existing working capital facilities. The impact of COVID-19 on the Group's key revenue streams was considered in detail when producing these cash flow forecasts. COVID-19 presents a unique and constantly changing challenge. Therefore, multiple scenarios have been considered, and stress-tested, including fixtures remaining behind closed doors for the entirety of the 2020/21 season and restrictions on future revenue generating events.

Prior to COVID-19, the Group secured a revolving credit facility ('RCF') which contained several trading covenants. When combined with a legally binding letter of financial support from Abu Dhabi United Group Investments and Development Ltd ('ADUG'), the Group's ultimate parent undertaking, the Directors are confident that the Group, and therefore the Company, has sufficient access to funding and believe that it is appropriate to prepare the financial statements on a going concern basis.

New and amended standards and interpretations mandatory for the first time for the financial year beginning 1 July 2019 and adopted by the Company

- IFRS 16 Leases

The implementation of IFRS 16 does not have a material impact on the Company's financial statements as at 1 July 2019. There are no leases held by City Football Image Rights Limited.

New and amended standards and interpretations adopted early

No standards have been 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.

City Football Image Rights Limited

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.

City Football Image Rights Limited

Notes to the Financial Statements *(continued)*

2. Significant accounting policies *(continued)*

Trade and other debtors

Trade and other debtors 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 debtors are presented as non-current assets. If the debtors are expected to be collected in one year or less, they are presented as current assets.

For trade debtors, 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 debtors and the economic environment.

Where previously impaired debtors 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 creditors

Trade and other creditors 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 creditors 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

Auditors' fees were £1,000 (2019: £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 (2019: none). None of the Directors received remuneration from the Company (2019: £nil).

6. Interest payable and similar charges

	2020	2019
	£000	£000
Bank loans and overdrafts	11	57

City Football Image Rights Limited

Notes to the Financial Statements *(continued)*

7. Taxation

(a) Analysis of the tax charge in the period:

	2020 £000	2019 £000
Current tax		
UK corporation tax at 19 % (2019: 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% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
Loss on ordinary activities before taxation	(11)	(57)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(2)	(11)
Effects of:		
Deferred tax not recognised	2	(11)
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 £1.0m (2019: £0.9m) 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.

On 3 March 2021, the UK Government announced that the UK corporation tax rate would increase from 1 April 2023 from 19% to 25%. This was substantively enacted on 11 March 2021. The remeasured, unrecognised deferred tax asset is £1.4m.

8. Debtors: amounts falling due within one year

	2020 £000	2019 £000
Amounts owed by group undertakings	4,676	4,676

9. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings	2,064	2,064
Bank overdraft	2,802	2,791
	4,866	4,855

Bank overdraft is included in a Group cash pooling facility with a net cash position.

City Football Image Rights Limited

Notes to the Financial Statements *(continued)*

10. Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
5,400,000 (2019: 5,400,000) Ordinary share of £1	5,400	5,400

11. Related party transactions

Transactions during the year ended 30 June 2020 with New York City Football Club LLC, a fellow subsidiary of City Football Group Limited, consisted of the sale of services of £nil (2019: £nil) and the purchases of services of £nil (2019: £71,000). A balance of £4,676,000 (2019: £4,676,000) is included in debtors due within one year.

12. Ultimate parent company

As at 30 June 2020 the Company's ultimate parent undertaking was Abu Dhabi United Group Investment and Development Ltd, a company 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 group to consolidate these financial statements. Copies of City Football Group Limited consolidated financial statements can be obtained from Companies House.